FREIGHT TRAFFIC ISSUE

How Much Do Rail Salesmen Help Shippers?

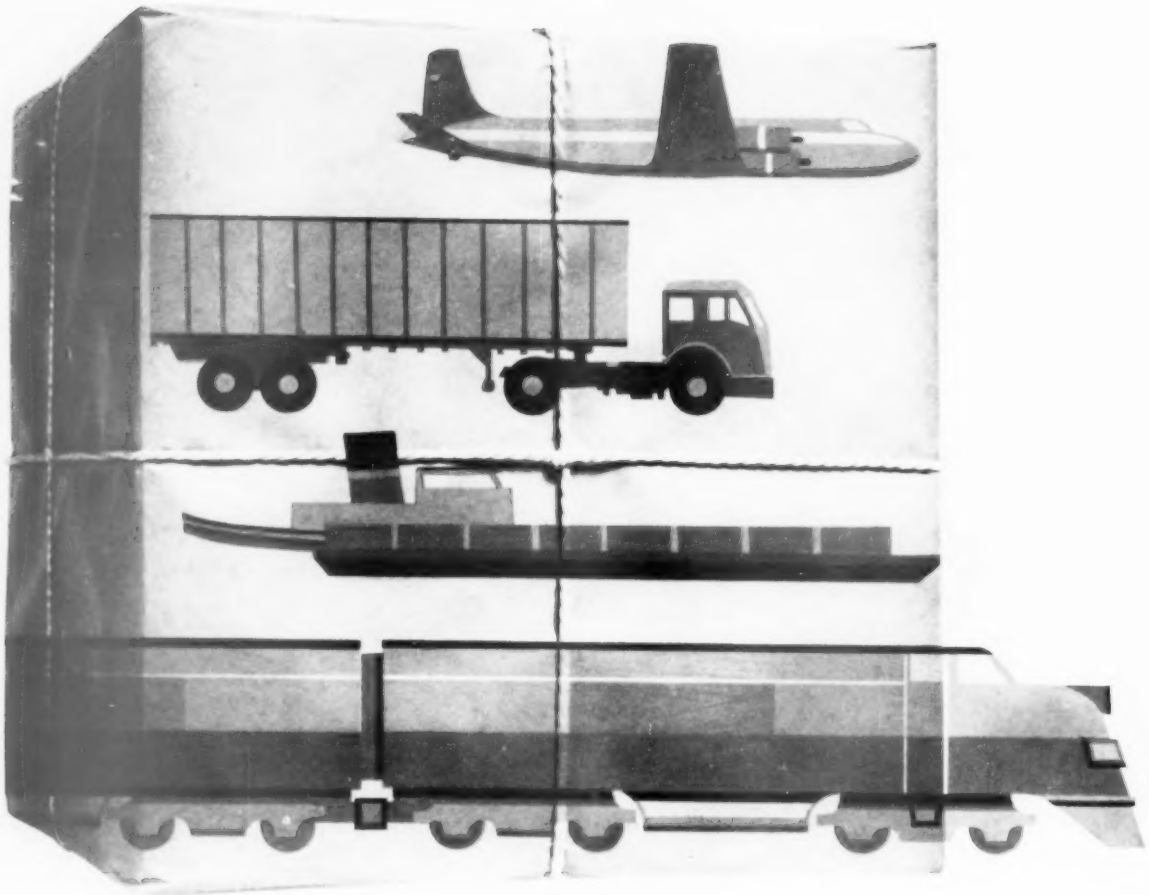
May 25, 1959

RAILWAY AGE *weekly*

ROUNDTABLE: Contract Rates

Railroads and shippers explore the question . . . will "guaranteed rate" idea work in the U.S.?

60 cents A Simmons-Boardman TIME-SAVER Publication



Needed: "One-Package" Transportation

The many and varied needs of shippers require the use of many and varied "tools" of transportation, including trains, planes, trucks and vessels.

Shippers should be able to call upon one transportation service to supply all of these "tools" of transportation, singly or in combination to fit particular shipping needs.

Railroads want to offer their customers this "one-package" service. But they are not now permitted to do so. Their applications to engage in other forms of transportation, instead of being considered on the same basis as the applications of others, are generally denied or, if granted, are specially restricted because the applicant is a railroad.

Shouldn't railroads be permitted to use the highways, airways and airports and waterways which railroad taxes help build for the use of their competitors? This equality of treatment and opportunity would enable the railroads to provide top quality transportation service at *minimum* cost. It would benefit shippers and the public alike.

ASSOCIATION OF AMERICAN RAILROADS • *Washington 6, D. C.*

Here is how many railroads are
beating the boxcar shortage

This year the railroad industry is faced with one of the greatest boxcar shortages in recent years. Even the healthy increase in new car construction cannot meet the demand for several years.

The best immediate solution is to make better use of the existing supply of cars. This is what many railroads are doing with the ADM Freight Liner method of upgrading boxcars.

One man can upgrade 15 cars a day into Class A condition using ADM Freight Liner 810—at any time—at any place on a railroad. The work does not have to be done in a car shop but can be performed at any convenient rip track or wash track.

Railroads hauling grain, flour, paper, tobacco, bauxite and many other commodities have found this plastic-and-fiberglass treatment a quick way to provide usable boxcars. Freight Liner seals rough and broken walls and corners with a smooth, tough surface that is moisture-proof and easy to clean. The Pure Food and Drug Administration approves ADM Freight Liner 810 for shipment and storage of bulk foodstuffs.

Let us show you how economically and quickly you can get more usable Class A cars. Write, wire or phone Archer-Daniels-Midland Company, 700 Investors Building, Minneapolis 2, Minn. (FEderal 3-2112).

Since January 1, 1956, 34 major railroads have upgraded more than 100,000 boxcars with

Freight Liner 810

Archer-Daniels-Midland

732 INVESTORS BUILDING,
MINNEAPOLIS 2, MINNESOTA

ADM PRODUCTS: Linseed, Soybean and Marine Oils, Synthetic and Natural Resins, Fatty Acids and Alcohols, Vinyl Plasticizers, Hydrogenated Glycerides, Sperm Oil, Foundry Binders, Bentonite, Industrial Cereal, Vegetable Proteins, Wheat Flour, Dehydrated Alfalfa, Livestock and Poultry Feeds.

"We decided to try New York Central's Flexi-Van when Albany-Chicago service first opened," says Walter Condon, transportation director for B. T. Babbitt, Inc. plants across the country. "It was a risk: any change in a shipping pattern is. *But Flexi-Van rates and reduced handling costs have helped us cut transportation costs to Chicago 30%!* We ship six vans a week; get second-morning delivery."

"Babbitt has a name for dependability, likes to do business with dependable companies. Central personnel have the *reputation* for staying on top of the job."

"Vans arrive clean, dry, ready to load. We pack in 37,000 pounds of cleanser. No dunnage is needed. These babies ride *smooth*."

"Shipment stays sealed till it reaches our Chicago warehouse. Fast service lets us keep inventories small — even with big promotion runs on Bab-O, Glim, and other brands."

W. G. Condon says: "Flexi-Van helped Bab-O cut transportation costs 30%!"

Your freight is loaded, locked in under your supervision.

Van boards freight at trackside. Transfer time, 4 minutes.

Shipment rides low, well cushioned aboard high-speed cars.

Beats trucks on long hauls. Two pick-ups or three deliveries.

New York Central Railroad *Write: Flexi-Van, 466 Lexington Ave., New York 17, N.Y.*

RAILWAY AGE *weekly* May 25, 1959 • Vol. 146, No. 21

Week at a Glance

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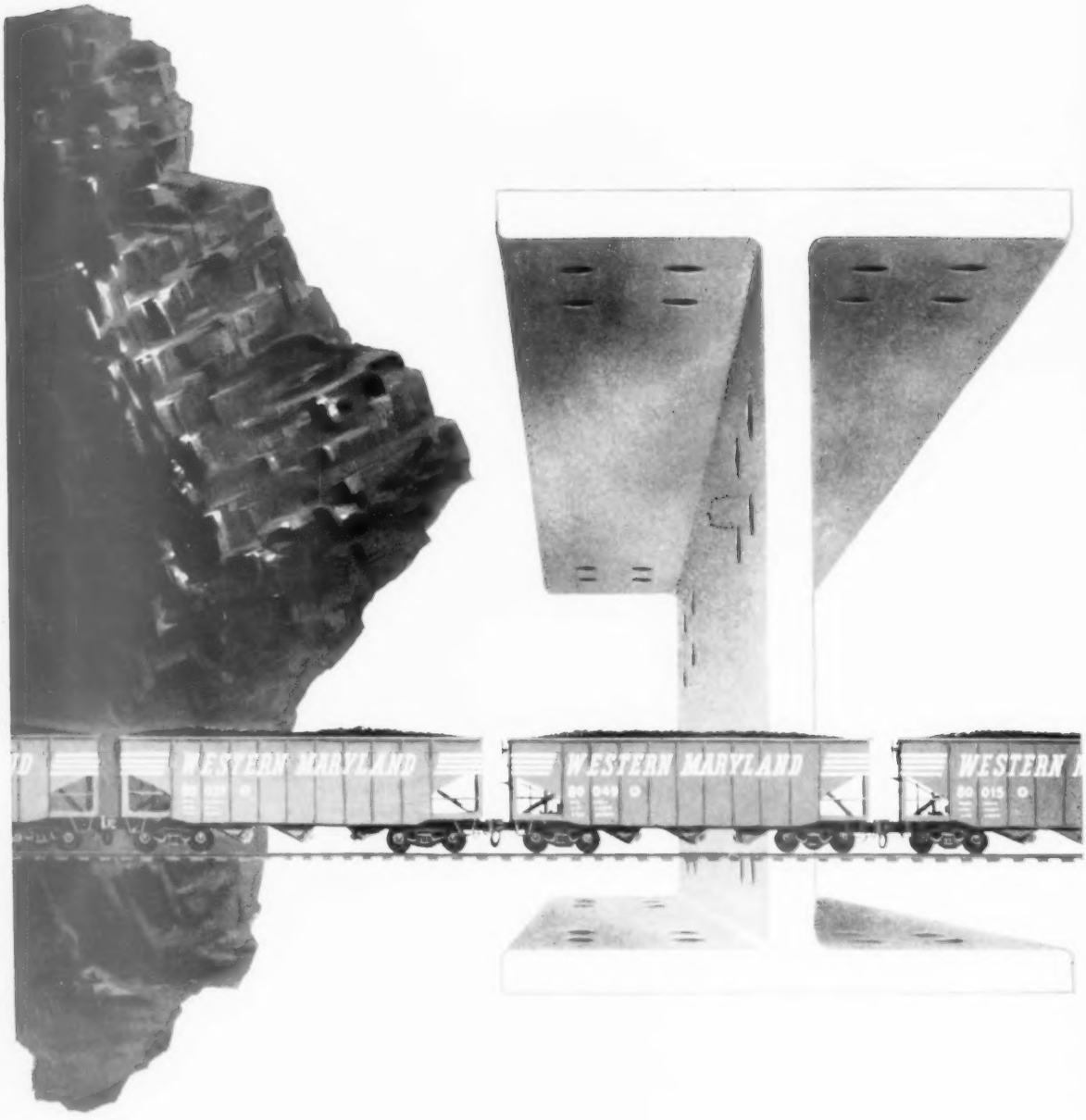
Short and Significant

Carrier and union conference committees . . .

will meet June 2 in Chicago on the job stabilization demands



Shortest distance between soft coal and hard steel

It takes ¾ of a ton of coal to make a ton of steel. And the nation's steel furnaces gobble up over 100 million tons of coal a year.

That's why you'll see modern hopper cars marked "Western Maryland" rolling day and night from "America's Bituminous Coal Bin" in West Virginia to the giant eastern steel mills . . . just a short haul away.

Whether you need fine coal for steel . . . or specially prepared grades for heat or power . . . it's readily available on the Western Maryland.

Call us and see how prompt and friendly the service is on one of today's truly up-to-date railroads.

Week at a Glance CONT

Current Statistics

Operating revenue	
3 mos., 1959	$2,390,411,958
3 mos., 1958	2,240,440,351
Operating expenses	
3 mos., 1959	1,909,302,375
3 mos., 1958	1,874,195,107
Taxes	
3 mos., 1959	248,387,179
3 mos., 1958	208,018,644
Net railway operating income	
3 mos., 1959	155,093,317
3 mos., 1958	85,148,439
Net income, estimated	
3 mos., 1959	99,000,000
3 mos., 1958	34,000,000
Average price railroad stocks	
May 19, 1959	109.01
May 20, 1958	74.77
Carloadings revenue freight	
Nineteen wks., 1959	11,272,527
Nineteen wks., 1958	10,151,610
Freight cars on order	
May 1, 1959	35,479
May 1, 1958	32,908
Freight cars delivered	
4 mos., 1959	10,964
4 mos., 1958	23,604

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of the Brotherhood of Maintenance of Way Employees. The demands, covered in notices served two years ago, propose 10 rules changes. Negotiations at the individual railroad level resulted in agreements on just two of some 345 properties where the BMWE holds contracts (RA, May 4, p. 13).

Higher pensions and jobless pay . . .

for railroaders will become effective June 1. The liberalizing legislation, which cleared Congress May 4, was signed without comment by President Eisenhower on May 19. It amends the Railroad Retirement and Railroad Unemployment Insurance Acts as recommended by the Railway Labor Executives' Association, but includes none of the AAR counterproposals. It will cost the railroads more than $200 million a year.

Loan guaranty for the Boston & Maine . . .

has been approved conditionally by the ICC. The guaranty will cover a $3,000,000 loan to be made by Bankers Trust Co. of New York. The interest rate will be 5% and proceeds will reimburse the road for capital expenditures made from its treasury funds. The road sought guaranty of a $6,000,000 loan but the Commission determined that $3,000,000 was the maximum it should approve. ICC conditions include one restricting the B&M as to payment of dividends and purchase of its own stock or that of any of its subsidiaries.

Profitable commuter operations . . .

are still possible. Chicago & North Western just proved it, with a first-quarter report showing its suburban service in the black. C&NW had expected that its recent overhaul of the entire operation would eliminate the deficit. The outlook: more black ink than red in the years ahead.

More time for train-off decisions . . .

is favored by the ICC. Chairman Tuggle told the Senate's surface transportation subcommittee last week that the schedule set in the service-abandonment provisions of the 1958 Transportation Act is a "little bit tight." It gives the Commission 20 days in which to decide whether or not to suspend an abandonment notice and the suspension period is limited to four months. Mr. Tuggle agreed to have specific recommendations ready by next week.

Tank trailer piggyback . . .

is being studied by the chemical products industry. James E. Weaver, assistant traffic manager of Columbia-Southern Chemical Corp., says it might be necessary to come up with "some new ideas in construction" to put tank trailers on flat cars—but he doesn't think the problems are insurmountable.

World's Most Versatile Tamper

NEW

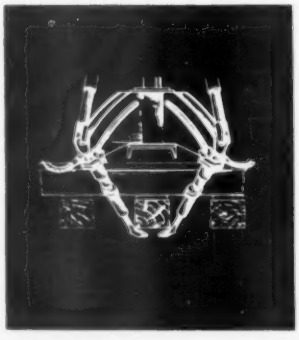
McWilliams MULTI-PURPOSE 8

A PRODUCTION TAMPER

A SPOT TAMPER

A JACK TAMPER

With ballast compaction equal to the McWilliams Production Tamper, the machine tamps under the tie in sixteen positions—each tool tamping in two places. Speed in production tamping: up to 4 ties per minute. *As a Spot Tamper*, split head with integral jacks assures effective tamping of joints, low spots, switches and in yard and terminal work. *As a Combination Jack and Out-of-Face Tamper*, the machine will operate as a jack tamper in making out-of-face raises, finish tamping ties at jacking points. It then can go back and finish tamp the remaining ties —making possible out-of-face tamping with one machine, an operator and a foreman for sighting the raise. *Ask for details.*



Tools tamp in the same pattern as the McWilliams Production Tamper

Railway Maintenance Corporation

PITTSBURGH 30, PA.

Track Stays up Longer with a McWilliams Tamper

Union 'Mud-Slinging' Rapped

Labor's failure to meet the featherbedding problem with "statesmanship" could result in a severe economic tie-up, warns AAR's Loomis. The situation, he says, calls for "drastic action."

► The Story at a Glance: AAR President Daniel P. Loomis has warned that continued refusal of the operating brotherhoods to face up to the featherbedding problem could result in crippling strikes.

In some of his strongest language to date on the "make-work" issue, Mr. Loomis roundly denounced the "mud-slinging" tactics which, he said, union leaders have injected into the anti-featherbedding campaign. And he charged them with "deplorable disregard . . . for their own members' best interests."

The railroads want labor peace—but not "at any price." Their chief spokesman made that clear in a major policy address in Minneapolis last week.

"If labor and management cannot reach agreement on cutting these [featherbedding] chains that bind us both," AAR President Loomis told the 7th annual Minnesota Public Relations Forum, "strikes and a transportation tie-up could result, with widespread economic disruption and personal hardship.

"This would undoubtedly lead to a special Presidential Emergency Board, which would have to go to work on short notice and under the table-pounding heat of last-minute negotiations and threats of walkout. I do not see how the equitable new work standards this industry needs so desperately can be drawn up under such circumstances. . .

"We are acutely aware," he continued, "of the damage a tie-up would inflict on the nation and will do everything in our power to avoid that end.

"Yet we must not run the risk of labor's misunderstanding our intent. I want to make it crystal clear that this industry is *determined* to cut loose the millstone from around the neck of our country's progress, just as we are determined to get a square deal from the government on the disgraceful public policy inequities that hit railroads so hard. . .

"If the railroads and all who have a stake in them are to prosper, drastic action will *have* to be taken to end this blight."

Mr. Loomis emphasized again that the railroads' fight is not against labor, but against "make-work waste."

"We are sure," he said, "the average worker is just as anxious as anyone to see featherbedding wiped out."

Mr. Loomis said that over the past decade, an average of 1,000 railroad jobs have disappeared each week.

"I wish it were possible," he said, "to open the eyes of our labor leaders to the fact that unless we can fully streamline operations and end featherbedding—unless cooperation replaces condemnation—unless we join forces in common action aimed at mutual benefits—the way ahead for railroads is all downhill. This handwriting is on the wall in letters as big as box cars."

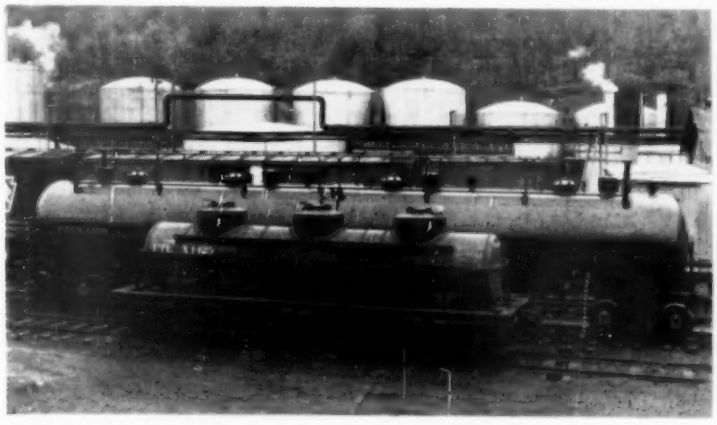
So far, said the AAR chief, this "handwriting" appears to have made little impression on the brotherhoods.

He recalled that there had been an "amicable meeting" April 1 between union and management representatives, following the railroads' proposal that a Presidential commission conduct an impartial investigation of what management has called a $500-million-a-year featherbed.

"However, he added, "I am having considerable difficulty in getting the parties together for a second meeting without undue delay, and I am now trying to see if a conclusion cannot be reached through correspondence since I believe time is of the essence.

"Meanwhile, we are met with a cam-

(Continued on page 48)



New 'Jumbo' Tankers: Three in One

The big car shown above is one of four leased from Union Tank Car Co. by Pennzoil Division of South Penn Oil Co. Its first trip was from Oil City, Pa., to St. Louis, over the Pennsylvania, with 22,000 gallons of lube oil. The four cars—said to be the largest leased tankers ever built—are 67 ft 8 in. long, 14 ft 5⅝ in. high and 9 ft 6¾ in. wide. Each weighs 91,900 lb; has a load limit of 159,000 lb; can carry four different products in as many compartments. Each of these "jumbo" cars thus does the work of three, which means railroads can justify lower rates when petroleum products move in them.

Canadian Rail Inquiry Slated

Canada's long-awaited Royal Commission on railroad transportation has been appointed—and given the job of making speedy and specific recommendations on five major problems:

- Inequities in the freight rate structure, their incidence on the various regions of Canada, and the legislative and other changes that can and should be made, in furtherance of national economic policy, to remove or alleviate such inequities;
- Obligations and limitations imposed on railways by law for reasons of public policy, and what can and should be done to insure a more equitable distribution of any burden which may be found to result therefrom;
- Possibilities of achieving more economical and efficient rail transportation;
- Whether, and to what extent, assets and earnings of railways from businesses and investments other than rail transportation (e.g., hotels) should be taken into account in establishing freight rates; and
- Such other related matters as the commissioners consider pertinent or relevant to the specific or general scope of the inquiry.

The Crowsnest Pass Agreement—which provides for special reduced rates on export grain and grain products—was specifically excluded from consideration by the seven-member commission. Those rates, Prime Minister John G. Diefenbaker said, in announcing the commission's appointment, "are part of a bargain between the government, the railways and those who settled the West. So far as this government is concerned, we intend to see to it that this contract shall not be broken."

The fourth part of the commission's assignment could lead, however, to revision of the railway rate basis. Heretofore, the Board of Transport Commissioners, in authorizing rates, has so partitioned railway revenues as to consider as relevant only earnings from rail transportation. Should the commission recommend inclusion in the rate base of revenues from other sources, the Canadian Pacific would stand to be especially affected because of its widespread non-rail operations.

Chairman of the new Royal Commission is Hon. Charles P. McTague, of Toronto, former judge of the Ontario Supreme Court. Other members are Herbert Anscombe, British Columbia; A. H. Balch, Ontario; Rene Gobeil, Quebec; M. A. MacPherson, Saskatchewan; Arnold Platt, Alberta; and Howard Mann, New Brunswick. Mr. Mann is executive manager of the Maritimes Transportation Commission.

Watching Washington *with Walter Taft*

• **TRUCK OWNER-OPERATORS** are engaged in for-hire carriage if they serve shippers directly. The ICC so ruled in a decision which will be of major interest to many shippers. The decision disapproves arrangements made by Oklahoma Furniture Manufacturing Company in an undertaking to put this type of trucking on a private-carriage basis.

OMINOUS IMPLICATIONS are in the decision as it's read by the Commission's newest member—Commissioner Webb. In a dissenting opinion, he says one of the majority's pronouncements means that no owner-operator can be employed, even by a for-hire trucker, unless the owner-operator holds operating authority covering the service he is performing and the routes over which he runs.

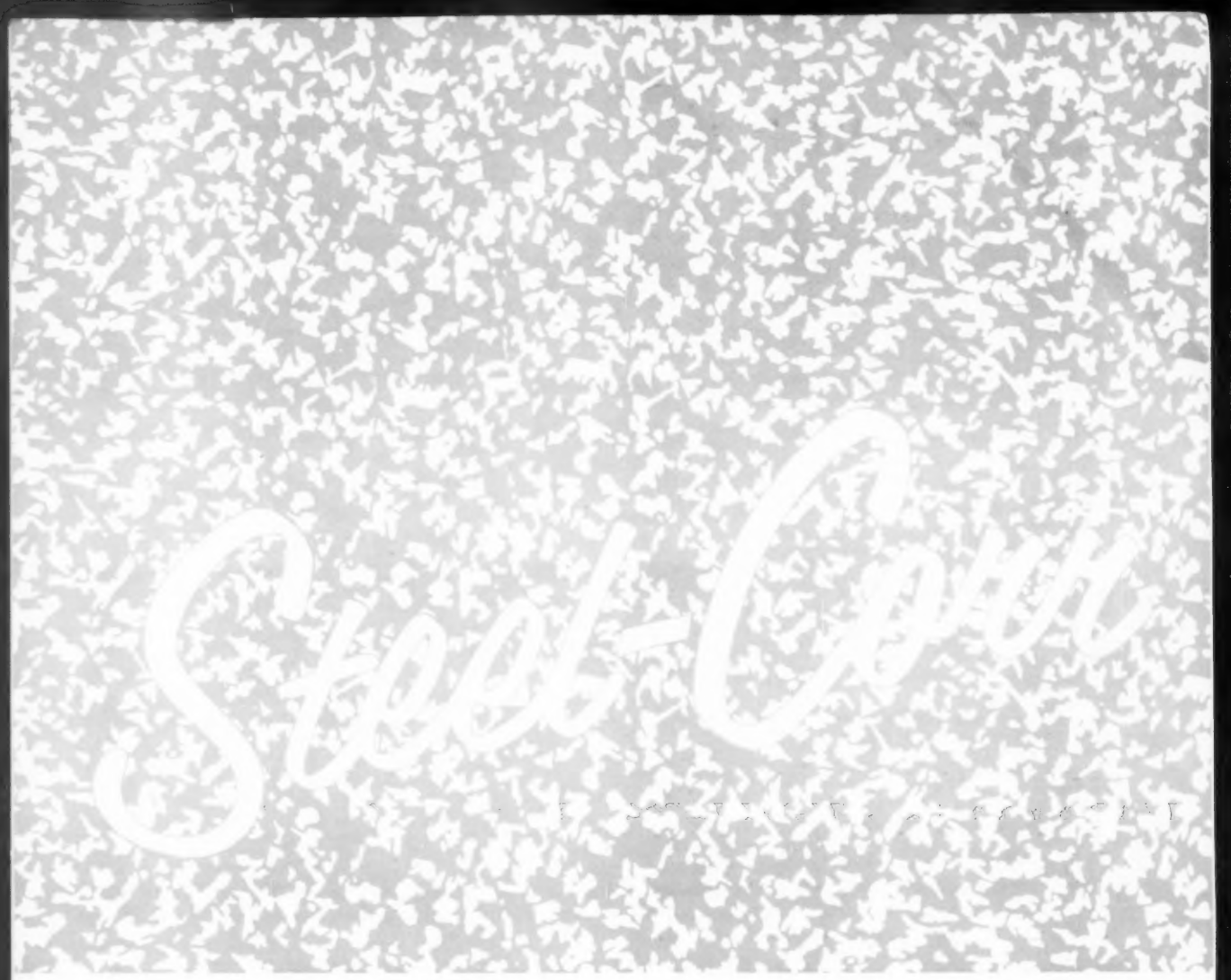
• **ANOTHER SETBACK** for shippers is a decision of the United States Supreme Court which holds there can be no reparations claims against motor carriers. This will end the practice of getting reparations awards in court on the basis of ICC findings that assailed truck rates of the past were unreasonable.

THIS CIRCUITOUS ROUTE to refunds has been used by claimants against truckers because the Interstate Commerce Act's Part II, the Motor Carrier Act, does not give the ICC reparations powers. The same is true of Part IV, which regulates freight forwarders. The problem does not arise in connection with the regulation of railroads and water carriers, as Parts I and III give the Commission authority to order reparations payments.

THE SUPREME COURT set aside lower-court rulings which upheld claims for reparations in two truck-rate cases where the federal government was claimant. The court identified the issue as one of statutory intent. It followed through to say it would be "anomalous" to hold that Congress intended that omission of reparations provisions from the Motor Carrier Act should have the effect of permitting a shipper to get reparations by bringing two lawsuits—one at the Commission and the other in court.

• **SHIPPER VICTORY** is the ICC's decision in the released-rate-rules case. This is a disclaimer of authority to authorize railroads and truckers to publish general liability-limiting rules. It's the position urged upon the Commission by the National Industrial Traffic League which spearheaded the shippers' opposition.

THE PROPOSED RULES would limit carrier liability to $3 per pound, with maxima of $200,000 per rail shipment and $150 per package or $100,000 per consignment for truck shipments. Additional charges would be assessed for declared values in excess of those amounts. Shippers were sympathetic with the carriers' desire to protect themselves against large claims. They contended, however, that proper approaches are to adjust rates to reflect the risks, or publish specific rates or ratings based on released or declared values.



THE SILVER LINING TO THE FREIGHT CAR SHORTAGE PROBLEM

from "bad order" cars to BETTER THAN NEW in minutes!

STEEL CORR

FORD CARLINER DIVISION

MANUFACTURED BY INTERNATIONAL PAPER CO.

No "before" and "after" picture can tell the true story of *Steel-Corr*, because *all* liners are made to *look* good—to appreciate *Steel-Corr*, you must learn the INSIDE STORY...

THE INSIDE STORY OF THE CAR LINER THAT SOLVES TWO PROBLEMS FOR ROADS AND SHIPPERS:

MORE CARS— *BETTER LADING PROTECTION*

Steel-Corr

SMOOTH

No protruding edges, nails or straps to catch lading. Extremely tight fit eliminates all infestation harbors.

RUGGED

Static load tests prove Steel-Corr's stretch, pressure and "break-away" qualities to be beyond the highest measure of requirement. Dynamic load tests prove Steel-Corr to be amazingly puncture-proof!

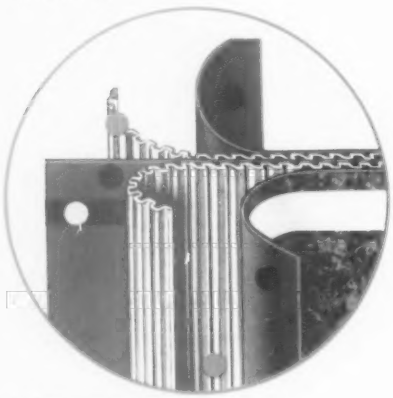
WEATHERPROOF

A remarkable bonus in Steel-Corr is its great resistance to COLD, HEAT and MOISTURE. Due to the special bonding material, lading is weather-protected—water resistant.

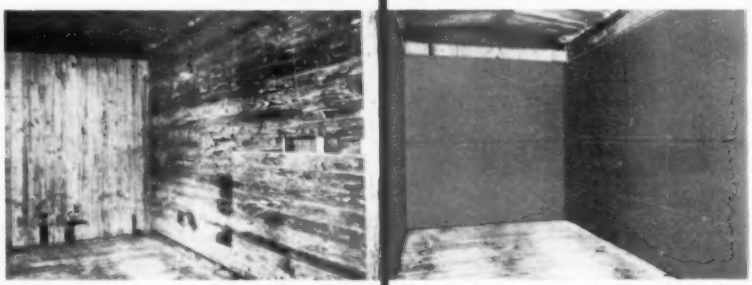
ECONOMICAL

All the advantages of expensive materials without high original cost. Less expensive to install and maintain, too.

Existing lading strap anchors may be used with Steel-Corr liner.



BEFORE | **AFTER**



This car is more than a liability. Its continued use for "just one more trip" before shopping can cause damage claims. It is an employee hazard—a lading trap.

In less than one hour, this same car—without expensive shopping—is back on the line earning revenue with better lading protection than provided by the original car!

Two men can take a car off the "shopping list" *in less than an hour!* No special tools or equipment needed. Just a hammer, ordinary roofing nails, step ladder and *Steel-Corr!*

Here at last is a low-cost car liner that can stand on its own!

Until now, upgrading materials have always depended entirely on the original lining for strength, retentive and protective qualities.

Until now, large holes, rotting sections and major lining damage have dictated shopping—regardless of available upgrading material.

Until now—until *Steel-Corr!*

NOW! Steel-Corr introduces an entirely new principle to the field of car lining. THE OLD PRINCIPLE: *"If you can't cure it, obscure it."*

Steel-Corr does more than obscure—is *more* than a cure! Steel-Corr is a lining in itself, *intrinsically* capable of lading retention and protection by itself, utilizing the old lining mainly for attachment.

Steel-Corr's design is such that, if necessary, by the extention of its engineering principle, its construction could hold and protect lading if none of the original lining remained—and Steel-Corr were attached directly to the Z-bar posts.

Steel-Corr can *cut* your shop orders—*add* revenue mileage immediately—and with the *added bonus of a new* interior which *actually provides better lading protection than the original lining.*

FOR STORAGE:—Steel-Corr is equally valuable and as easily adaptable for re-lining trailers, warehouse facilities, etc.

●*LINER BOARD*

Three sheets of tough, impregnated, puncture resistant liner board which alone could protect the average lading under normal shipping conditions.

But this is only a containing medium in Steel-Corr!

●*CORRUGATED MEDIUM*

Two panels of heavy corrugated board *bonded* to liner board and steel with a special heat resistant, weather resistant, *moisture proof adhesive.*

STEEL

Three ¾" steel straps embedded in the heart of the panel run the full length and width of the car, in effect giving you six bands of steel girdling the car—and lading—from floor to roof.

For service information or brochure, write:

FORD CARLINER DIVISION

116 North 40th Street, Omaha 31, Nebraska

May Traffic Poll

What Shippers Think of RR Salesmen—Part 2

They're better trained, more interested in customers. Big weakness is inability to get quick action on special problems through higher echelons of their own companies.

Proposition

As competition for freight traffic between various modes of transportation increases, many railroads are paying more attention to training, organization and activities of their traffic sales forces. This month's Poll is the second in a series designed, in total, to ascertain what shippers think about railroad salesmen and their work, and to find out how they think that work might be improved.

Questions

(1) Are railroad freight salesmen, on the whole, reasonably well acquainted with your industry, or your company, and its specific transportation problems?

Yes	52
No	16
Divided	2

(2) Are they willing—and able—to help you solve those problems, i.e.: Are they successful in getting special information? Are they helpful in setting up special movements? Do they try to work out rate or service adjustments? Are they effective in helping you meet emergencies or special situations?

Yes	58
No	7
Divided	3

Railroad freight traffic salesmen are better than they used to be.

They are better trained. They know more about their customers. Individually, they show greater willingness to help customers solve special problems.

But—and this is a major weakness—the salesmen are, all too often, unable to get quick or satisfactory action on those problems from the higher echelons of their own companies.

Those statements pretty well summarize the results, tabulated at the left, of this month's Traffic Poll—the second in a series designed to develop shipper opinion concerning railroad freight salesmen.

In detail, answers varied widely, and were colored by reactions of individual industrial traffic men to the individual railroad salesmen who call on them.

Eliminating these inevitable personal differences, traffic salesmen in general got a pretty high rating on their desire to solve special problems (Question No. 2). On such matters, says Frank Tighe, senior traffic manager of Union Carbide Corp., New York: "The alert salesman will get you action fast. Give him all the facts, turn him loose, and the job is done. In emergencies and for special situations, you can't beat that local man. He'll go to hell for you, and he won't take no for an answer."

J. H. Wright, traffic manager for Spencer Kellogg & Sons, Buffalo, N. Y., says much the same thing: "Freight salesmen have been more than helpful in enabling us to handle [special] movements. . . . Most salesmen are aware of our need for special equipment and the service we require. Most of them spare no effort to effect the desired result."

Industrial traffic managers think, however, that railroad freight solicitors run into road blocks all too frequently when they refer special problems to other railroad departments or even to their own superior officers. "Operating departments often fail to cooperate," according to G. E. Roeder, traffic manager of the Portland, Ore., Produce Merchants Association. Or, according to R. J. Garrison, traffic manager, A. B. Dick Co., Chicago, the salesman's "superiors fail to back him up and go to bat for us. If an emergency or special situation occurs, we have to go directly to the 'brass' if we're going to get any assistance."

Those statements typify what appears to be a fairly widespread opinion. For example, H. J. Ringrose, general traffic manager of Hiram Walker & Sons, Walkerville, Ont., and president of the Canadian Industrial Traffic League, writes: "Railway representatives usually have an understanding of our problems and the means of correcting them—but this understanding diminishes in the process required to channel the facts to top officials." Similarly, E. E. Grigg, traffic manager of Smith Brothers, Poughkeepsie, N. Y., thinks "salesmen themselves do an excellent job," but "departments take so long to act that when they do you have another problem at hand."

In much the same vein, T. J. Rowan, traffic manager of the Mandan Creamery & Produce Co., Mandan, N. D., says "salesmen do not have enough authority, or cannot sway their superiors—who seem reluctant to make a change without being forced to by loss of traffic." Salesmen's authority is so limited that "it boils down to a point of their being willing, but, in many cases, not able," adds A. C. Roy, director of traffic, Pennsylvania Glass Sand Corp., Pittsburgh.

"Salesmen know our situation, but have trouble convincing the operating departments," according to C. A. Meyer, executive general traffic manager, Mosaic Tile Co., Zanesville, Ohio. "Salesmen," says C. T. Coy, traffic manager of Eli Lilly & Co., Indianapolis, "do all they can to help, but rate policy often prevents them from meeting the situation. Rail management does not listen to them sufficiently in setting policies."

Other traffic managers, while recognizing the same situation, suggest that the remedy for it is more contact between top railroad officers and industrial users of transportation. T. P. Connors, director of traffic for American Tobacco Co., New York, suggests, for example, that "top rate men, who

(*Continued on page 36*)

Can the U.S. Use 'Contrac

- U.S. railroads are ready to fight for the right to make some form of "agreed," "guaranteed" or "contract" rates.
- U.S. shippers are showing increasing interest in such rates; increasing disposition to learn about, and possibly to accept, them.
- Such rates, if authorized, could ultimately help U.S. railroads (as they have helped Canadian railroads) to meet competition from unregulated, exempt or private carriers—or the St. Lawrence Seaway.
- From a practical standpoint, there are no insurmountable obstacles to their use. Market relationships, though admittedly more complicated here than in Canada, can be made to "solve themselves" by moving "one step at a time." Car supply and service will improve if "contract rates" increase railroad traffic and revenues.
- Such rates can be made—and administered — through existing railroad traffic and inspection organizations, as agreed charges are administered in Canada.
- If railroads are allowed to make "contract rates," the same right should logically be extended to common carrier truckers.

More and more railroads are becoming eager to apply, in the United States, some form of the Canadian "agreed charge" method of rate-making.

The Soo Line and other railroads have already filed with the Interstate Commerce Commission a proposed "guaranteed rate" on pipe and tubing from Sault Ste. Marie, Ont., to Chicago.

Eastern railroads are giving serious consideration to "contract rates" as a method of meeting new competition from the St. Lawrence Seaway.

Other lines have similar proposals in the study stage—or beyond.

Shippers, too, are actively joining the railroads in exploring what could become a new and highly important part of the nation's freight rate structure.

To round up present thinking on the subject—and stimulate still further thought concerning it—Railway Age brought together a group of leading railroad and industrial traffic executives in Chicago last month. They came to the major conclusions set out above.

The discussion was predicated on the assumption that such "guaranteed" or "contract" rates are obtainable within the framework of existing U. S. regulatory law. It began with an explanation of Canadian "agreed charges," which provide the basic pattern for "guaranteed" or "contract" rate proposals in this country. That explanation, and one of the Soo's "guaranteed rate," are separately printed, on pages 22 and 23, respectively. Questions and answers concerning them, and general discussion, begin immediately following:

Hudson: Mr. Edsforth, do agreed charges produce satisfactory ton-mile earnings?

Edsforth: Yes—higher than on most other traffic. In 1957, revenue from agreed charges was 2.65 cents per ton-mile, compared with 1.57 cents for all traffic carried by Canadian lines.

Hudson: In other words, they're producing higher than average earnings?

Edsforth: Higher than average—yes. Of course, that is partly due to the very reason agreed charges are made—to meet competition. As in the United States, the most serious competition—truck transportation—goes after high-rated traffic. That's what we want to protect.

Landis: Do you have agreed charges on LCL shipments?

Edsforth: A very few.

Landis: Is that to avoid treating anybody, say a big shipper, as a favored party?

Edsforth: Not necessarily. It's a competitive arrangement.

Small Shippers Use Them, Too

Parr: That is one of the most important principles of agreed charges—the shipper of one car can avail himself of the advantage of the shipper of a hundred or so cars, who, by reason of that volume, is able to negotiate a very favorable agreed charge. The small shipper, by filing a Notice of Intent, can become a party to that charge.

Hope: If that small shipper were intermediate in location to the large shipper who made the agreement, could the small shipper take advantage of the principle of a proportional rate agreement, or would he have to use the long-haul rate?

Parr: It would depend on the nature of the charge—what the basis of the rate was. But, under substantially the same conditions and his undertaking to observe those conditions, he would be able to get an agreed charge on his own movement.

Edsforth: He wouldn't necessarily get the agreed charge rate just because he was at an intermediate point. He would have to be a party to the contract. In other words, the long-and-short-haul clause does not apply to agreed charges.

Hope: Could he join the contract and pay the long-haul rate?

Edsforth: He could. It would probably depend on the competition. If that was a little different from a shorter haul point, it might mean a little difference in the rate.

Hope: In Canada, do you have joint rates in agreed charges?

Edsforth: Yes. Where more than one railway is involved, the agreed charge cannot become operative without consent of the second railroad, or the other party to the movement.

Why Shippers Use Them

Sikora: You say agreed charges are based on competition of another mode of transportation. I can't visualize anyone subscribing to an agreed charge, and agreeing, if he doesn't live up to it, to pay a penalty.

Rates'?

Edsforth: You make it attractive enough to him so he does.

Sikora: Why should a shipper go to an agreed charge if he has nothing to gain—if he continues to handle a good part of his traffic by truck?

Edsforth: He goes into it because he does gain something. You do make it attractive for him.

Sikora: Do you go below the competitive rate?

Edsforth: Not necessarily, but sometimes we do. One of the big advantages to the shipper is that he has a guaranteed stability of rates for at least one year. Another advantage is that competing shippers find it to their benefit all to be in one group under an agreed charge, knowing what each one is paying for transportation. If traffic is going by motor carrier you can get any variety of rates the truckers care to make.

Baylis: We all know a lot of shippers who want to do business with the rails, but who ship by truck because they can save money, or because there is no stability to the rail rate structure. Here you offer them stability and a rate equal to, or perhaps a little lower than, the truck rate. They can plan their market and know their competition, where they can't with truck fluctuations.

Sikora: That's true, but you also find shippers who hesitate to give you business unless you offer something below the truck rate.

Baylis: That's because they're afraid, once they accept a lower rail rate, the trucks will cut right into it and their management will insist they use the lower rate. Here they are signed up on a contract and are satisfied with it.

Sikora: To get traffic under an agreed charge from New York to Chicago, must we cut rates at intermediate points—say, Scranton, Pa.?

Edsforth: That's entirely a matter of negotiation between you and your shipper.

Sikora: But suppose we have no competition at Scranton?

Edsforth: Competition may not be at Scranton today, but that's not to say it won't be there tomorrow.

[Here Mr. Kennard outlined the reasons why Canadian shippers have gone into agreed charges on such a wide scale. See page 23.]

Sikora: Mr. Kennard, do the railroads initially approach you with something lower than you have had?

Kennard: That depends on circum-

(*Continued on page 19*)

Around the table were...

FOR RAILROADS

A. E. Baylis, vice president — freight sales & service, New York Central, New York

W. W. Kremer, vice president — traffic, Milwaukee Road, Chicago

R. L. Thorfinnson, vice president — traffic, Soo Line, Minneapolis

C. D. Edsforth, general traffic manager, Canadian Pacific, Montreal

J. S. Sikora, freight traffic manager, Delaware, Lackawanna & Western, New York

H. B. Parr, assistant general freight traffic manager, Canadian National, Montreal

K. J. Sherwood, general freight traffic manager — rates, divisions and research, Soo Line, Minneapolis

T. H. Desnoyers, director, traffic research, Milwaukee Road, Chicago

FOR SHIPPERS

J. M. Cody, general traffic manager, Butler Brothers, Chicago

R. H. Heilman, director of transportation, A. O. Smith Corporation, Milwaukee

T. C. Hope, general traffic manager, Montgomery Ward & Co., Chicago

D. W. Kennard, traffic manager, Union Carbide (Canada), Ltd., Toronto

Eugene Landis, director of transportation, International Minerals & Chemical Corp., Skokie, Ill.

A. E. Willson, transportation and shipping manager, Mannesmann Tube Co., Ltd., Sault Ste. Marie, Ont.

FOR RAILWAY AGE

J. G. Lyne, editor, New York

J. R. Thompson, vice president, Chicago

W. W. Abbey, western editor, Chicago

G. C. Hudson, traffic and transportation editor, and panel moderator, New York

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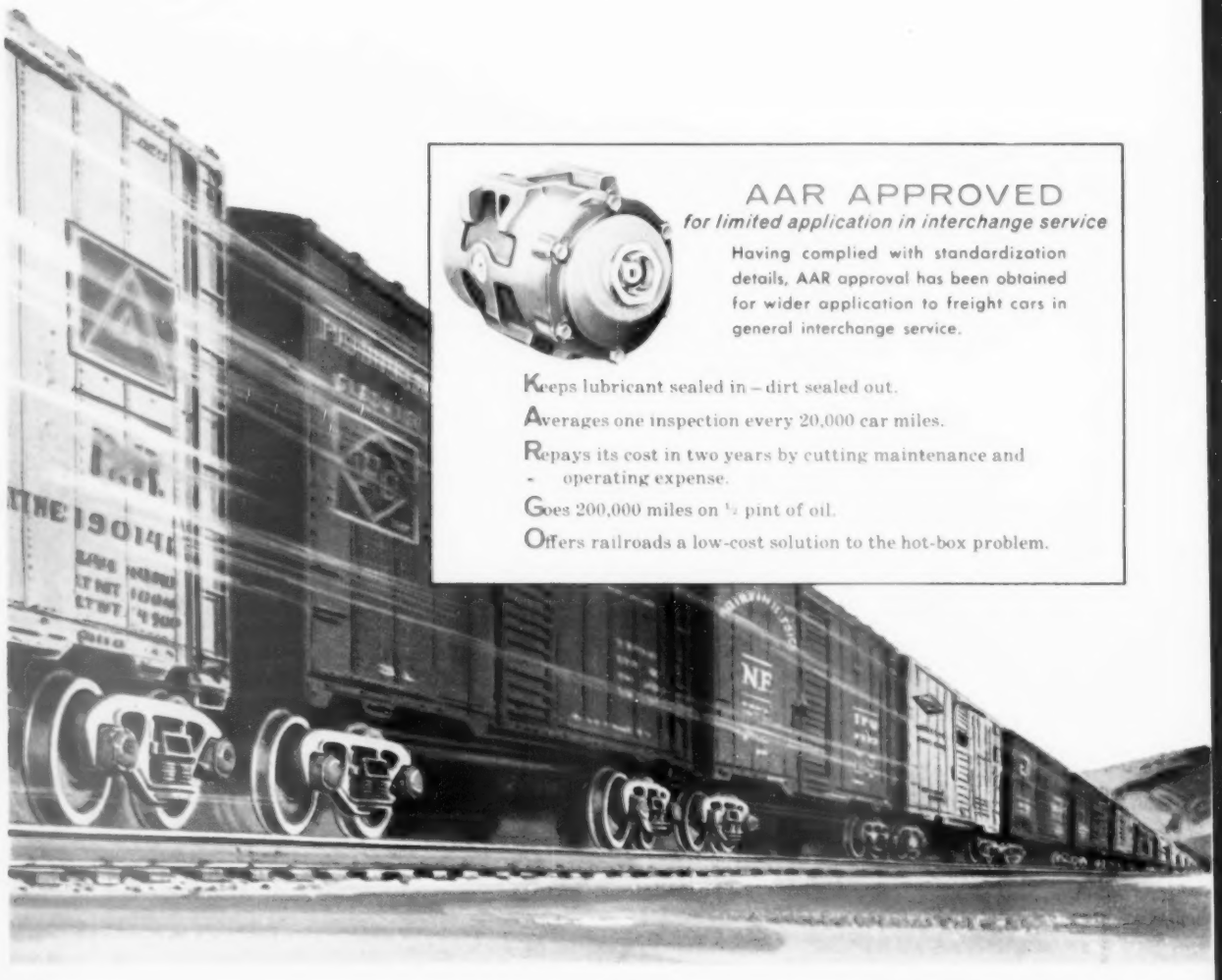

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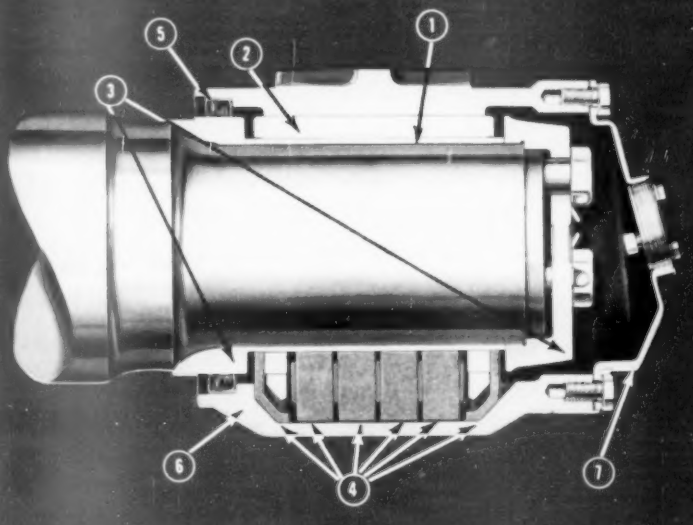

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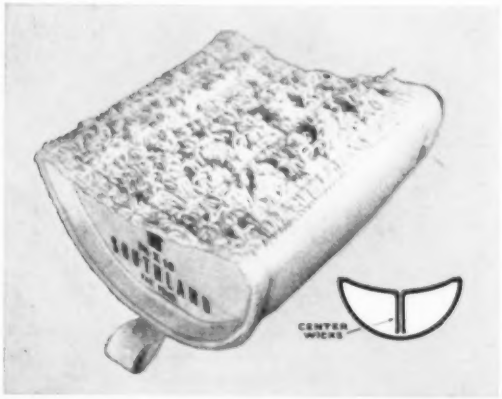

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stances. It may not always be necessary for the carrier to offer us something substantially below, depending on what the competitive situation is. Or, it may be necessary for them to offer us something substantially below. They are interested primarily in putting tonnage on the rails, and we are interested in maintaining traffic. When both get together, the carriers may have to publish an agreed charge in a particular competitive situation materially below the regular rate.

Sikora: You establish an agreed rate. Your competitor then becomes party to it. But for price fixing, you don't know until the end of the year whether that competitor has lived up to his contract. He may not go as high as you in shipments by rail. He may pay a penalty. Or he may go higher than you, so you still don't know what he's going to charge.

Edsforth: We don't just leave it to chance. Shippers are very honest with us, but we do have an agreement, and it's in the contract, that the shipper will open his records to us at any time for inspection. Inspectors from the Canadian Freight Association check from time to time. We very rarely have to impose a penalty.

Parr: Generally, we find there is a greater percentage given to the railroads by signatories to an agreed charge than is called for in the guarantee.

Strong Offense Was Best Defense

Baylis: One of the early reasons this thing started in Canada was to avoid building oil pipe lines—not to take business away from trucks or waterways, or whoever else had it. It was to protect what you had.

Sikora: Was that the primary competitive angle at that time?

Baylis: Trucks were not there. In Canada, when truck competition came in, railroads were able to move quickly to ward it off. In the United States, because of the amount and complexity of regulation, we almost have to be dead before we can defend ourselves. Here was a case where the defense came as a strong offense.

Kremer: Could Mr. Kennard tell us the situation with respect to other firms that sell the same products? How do you use an agreed charge to maintain market relationships?

Kennard: We have a very competitive relationship in selling to a firm at Sydney, N.S. Overseas competitors were able to sell their product in Sydney at a landed price which was below ours. We discussed an agreed charge with the railways to assist us to retain this business. Our price, plus the transportation charge, prohibited us from selling. With due recognition of the fact that railways cannot be expected to pick up more than their share of any price absorption to enable us to compete, we reduced our prices in this case considerably more than the railways finally agreed, percentage-wise, to decrease their rail rate to meet our overseas competition at Sydney. We have been successful in this way in retaining our market, which keeps us in the picture on sales, and keeps the railways in business hauling the product.

Landis: Do you have any dissenters—any people in Canada who dislike agreed charges? And if so, why?

Edsforth: There are some. Some people don't like to tie themselves down to a contract. I think that's the principal reason.

Kennard: One of their main fears—you have to be a little dreamy-eyed to believe this—is that, should railways get themselves in position where they eliminate competition by signing everybody up for their full tonnage, you will put all trucks off the road and steamships out of business; and when that happens, the railroads will turn around and put all rates back to class rates. Personally, I don't believe this. I think our relationship with the railways is such that this will never come to pass, but there are some people who fear it. I don't agree with their fears.

Kremer: Isn't it true that many shippers dislike to be tied down to a firm contract with respect to traffic they are going to give the railroads? I have had experiences where shippers have told us that, for competitive reasons, we would have to adjust our rate level to keep them in the market. As soon as we made the adjustment, they went to a competing form of transportation and said: "You better adjust your charges, too." I think that's the basic reason for some of the antagonism against agreed charges. For at least one year, they are not in position to make any changes.

Edsforth: The strange part of it is that some of the people who object to the contract principle are the very ones who make all kinds of contracts them-

(Continued on following page)

Europe Frees Rails; We Restrict Them

Lyne: What constantly strikes me is the fact that, here on this continent, we have practically the only privately owned railroads in the world—the CNR is operated strictly as such. Yet we have, at the same time, the most rigorous regulations. What they have in Canada, while it seems liberal to us, actually is very strict, compared to regulation on the other side of the Atlantic.

In England and France, and several other countries, where they have railroads that amount to anything, they have gone much further even than in Canada in giving railways rights to make contract rates. In England, and also in France, they don't have to publish those rates. They don't have to make them just or reasonable, or anything else. All they have to do is keep them under a very high maximum ceiling.

Why have they gone to that extent in those countries? Why have they been so liberal? Because the government owns the railroads, and to keep them in operation they had to give them conditions under which they could compete.

To me, it seems just that serious on this side of the Atlantic. Here we are trying to run private enterprise and yet giving our private enterprise railroads much less liberty to compete than the government-owned ones in Europe have. The more we can interest our shippers in what is being done there, the more they will appreciate how really far they must go to make something like contract rates work here.

We all know you can't have a healthy railroad industry much longer in this country, if it's going to keep on losing traffic as it has in the last two or three years.

selves. Labor contracts, sales contracts, purchase contracts, all kinds. The only thing they don't want to contract is transportation.

Baylis: Isn't it true that, in Canada, as in the U. S., a great many shippers use the commodity or class rate structure as their basis for transportation cost? It's the ceiling—the umbrella. If they use rails, that's what they pay. If they use other forms of transport at a lower rate, that's the advantage they get temporarily until someone else gets a similar advantage. But they use the published railroad class or commodity rate structure for their catalog price. It's just the old railroad umbrella that they like to have perpetuated, so it will cover them if it rains, or if they're in trouble. But they don't have to use it unless they want to.

Kremer: That's true in at least this one respect. Trucks will go out and make a point-to-point publication on a rate. But if we try to adjust the carload rate level, then everybody says we're destroying market relationships.

Parr: Probably comment on shipper reaction would not be complete without this observation—that one of the most constructive tests to which agreed charges have been put is the fact that a segment of industrial traffic management, with a record of original opposition to agreed charges, has come to the opposite point of view and now accepts and endorses them.

Made for Specific Situations

Sikora: Is there any short-haul traffic for which you cannot compete with trucks even with an agreed charge?

Edsforth. There's always some traffic for which you can't compete, service-wise or cost-wise. Generally, agreed charges are made to meet specific situations—point-to-point, or group-to-group. We don't often make an agreed charge to blanket a whole area. The notable exception are agreed charges with oil companies, which have a very, very wide scope. We've managed to keep petroleum traffic on the rails, largely by agreed charges, and they are widespread. They are point-to-point, also.

Sikora: Point-to-point—would that be 400 miles, 300?

Edsforth: All distances—3,000 miles down to 250, wherever you can get traffic, be competitive on it, make a little money, and meet the service problem.

There is one point I'd like to clear up. We make many, many, agreed charges at rate levels higher than the competition—substantial ones, too. I made one just the other day on a heavy volume—over 100,000 tons of a product that was moving via an unregulated water carrier. I was able to get quite a bit more for the rail rate, under an agreed charge.

Sikora: Would the normal rate get that business?

Edsforth: No.

Sikora: You went below the normal rate?

Edsforth: I went below our normal rate, but higher than the competition was charging. We made one just the other day where a truck movement was involved. Again, we got substantially more.

Landis: Why should they do that if it was cheaper to do it the other way?

Edsforth: Because they feel there are inherent advantages in rail transportation. That's the whole answer. They like the idea of year-round service; they like the stability of the railroads; they see many other intangible benefits. These are not bargain counter rates, or anything like that.

(Continued on page 22)

What Are 'Agreed Charges' . . . 'Guaranteed Rates'?

An *"agreed charge,"* as used in Canada, is a simple, public contract between one or more railroads and or steamship lines, and one or more shippers, covering movement of a specified commodity between specified stations. Under it, carriers agree to give the shipper a fixed rate which will not be changed during the life of the contract. The shipper, in turn, agrees to give the participating carriers a stated *percentage* of his total annual movement of the covered commodities between the covered stations. Since the volume requirement is proportional, and not absolute, any affected shipper may join any appropriate agreed charge, whether he ships one car, or 1,000 cars, per year. Agreed charges are made primarily to meet competition. They normally run for one year, and are self-renewing, but after the first year may be terminated by either party on 90 days' notice.

A *"guaranteed rate,"* as proposed by the Soo Line and other U. S. railroads, is basically similar to an agreed charge. The railroads guarantee the shipper a reduced rate, fixed for one year unless changed by formal ICC order, on movement of a specified commodity between specified points. The shipper, in turn, guarantees to ship via the participating railroads a stated percentage of that traffic. There is no formal contract between carriers and shipper, but the shipper files a bond to insure that, if he fails to move the full stipulated percentage by rail, he will pay the higher normal rate on whatever does move by rail.

"Contract rate" is the term being used by Eastern railroads to describe planned, but still-unpublished, competitive rates which are expected to be generally similar to agreed charges and or guaranteed rates.

"Volume-guarantee rates" are rates recently filed by Eastern railroads on coal for public utilities. They are similar to guaranteed rates in that they provide a charge per ton which is fixed for one year, and, in consideration of the amount to be shipped, is below the normal charge. The shipper files a bond to insure payment of the full normal charge if he fails to meet the volume requirement. Under these rates, that requirement is stated in absolute number of tons; not in percentage of total. These rates have been allowed, but are under investigation, by the ICC. The New York Public Service Commission has allowed, but is investigating, an essentially similar intrastate rate on crushed stone.

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(Continued from page 20)

Cody: Along with agreed charges, do you guarantee service?

Edsforth: There is a side benefit from agreed charges, in that you have a pretty good idea of the volume of traffic you're going to get. It does enable you to regulate your car supply better.

Hope: Do you consider private carriage as an element of competition?

Edsforth: Very much so. Petroleum agreed charges were made primarily to meet private carriage. We made one not long ago to forestall a private pipeline.

Hope: Do you make agreed rates on "all-commodity" shipments in carloads?

Edsforth: We haven't yet, because the practical impossibility there is to get all shippers in. When you make an all-commodity rate on an agreed charge, you've got to include every shipper you could possibly think of.

Hope: I don't understand that. For example, my company loads all-commodity cars consistently all over the country, so why shouldn't railroads give us an agreed charge between two given points on that type of freight, just as they would give it to others on iron pipe?

Edsforth: We might be able to put in one for all the commodities your company ships. We could not put in an agreed charge for every commodity that anybody might ship.

Hope: Could you make an agreed charge with Montgomery Ward for, say 80%, of their mixed commodity cars? It's one shipper, mixed cars, on a Rule 10 basis.

Edsforth: We'd have to spell out the commodities. We couldn't put in an all-commodity rate that any shipper in the world could take advantage of.

Parr: There's a development of agreed charges in the land of its birth —the United Kingdom—where, for a departmental store, agreed charges are being made in relation to its total volume of shipments throughout the year.

Hope: Receipts and shipments?

Parr: Yes, to the degree freight charges are paid by the departmental store.

Hope: What about this business of the shipper's obligation under an agreed charge? Suppose he, for example, agreed to ship 100,000 tons a year. Could he then have credit for what he might ship outbound, if the rate is on the inbound, to make up the 100,000 tons?

Edsforth: No. The agreed charge

(Continued on page 27)

Patterns for

The ABC's of Agreed Charges

Edsforth: Agreed charges in Canada are essentially contract rates. That is, they are contracts made between carriers and shippers. They are authorized by the Canadian Transport Act, which lays down terms and conditions.

There is no great mystery attached to them. They are straightforward ordinary contracts such as are made every day in the course of business. The principal distinction is that, while in the normal course of business, contracts are known only to the parties who make them, agreed charges are given very wide publicity. They are on file with the Board of Transport Commissioners and at all principal stations. Copies are sent to boards of trade, chambers of commerce and trade associations, including the Canadian Manufacturers Association and the Canadian Industrial Traffic League. Thus, they are well known to everyone. There is nothing secret about them.

Agreed charges are not loss leaders, or bargain counter rates. They are made to meet specific competition, and the competition sets the level of the rates—not the volume of traffic involved, although that is a very important part of the contract.

Agreed charges are available to anyone. They are not for the benefit exclusively of the large shipper. Any shipper, so long as he is willing to abide by the terms and conditions, is able to join in an agreed charge. The law specifically provides that the rate must be expressed in cents per 100 lb, or such other unit of weight as may be appropriate, and that the rate for one car must be the same as the rate for any number of cars.

The question of volume comes in as to the guarantee which the shipper gives to the carrier, of the amount of tonnage he will forward under an agreed charge. That guarantee, however, is not stated in units of weight or measurement, but as a percentage of the traffic involved. It may be 50, 60, 70, 80, even 100% of the traffic covered by the agreed charge. In that way any shipper can join in, because whether he ships 10 cars or 1,000 cars a year, so long as he gives the railway, or the water carrier, or both, the percentage of freight that his agreement or contract calls for, he complies with the terms of his agreed charge.

In Canada, agreed charges are generally made for one year, with the proviso that they will continue in effect after that period subject to the right of either party to cancel upon 90 days' notice.

If the shipper fails to live up to his agreement to forward the stated percentage of traffic, there are penalties attached. The penalty is that rates on everything that is shipped will be revised to the level that would otherwise apply, plus 10% on all traffic forwarded other than under the terms of the agreed charge.

This method of making agreed charges has been in effect in Canada for a little over 20 years. Until about 1955, very little was done with it because the regulations under which agreed charges could be made were very restrictive. Following a change made in 1955 there has been a great deal wider use of them. Today there are some 546 agreed charges in effect in Canada covering the widest possible variety of traffic.

Parr: Much has been said about the inherent advantages of rail transportation as our most economic form of mass movement of goods by land. The agreed charge principle was the first articulate, or effective, means of implementing that theory of economics. The necessity certainly existed for the railways to implement, if they could, whatever natural advantage they had. The contract principle is, of course, the best means of doing this. There is nothing new in the principle, but it has been most successful.

Originally, an agreed charge could be protested by anyone and thrown into suspension. It often encountered a delay of up to a year. But a Royal Commission surveyed the whole situation and brought in a number of legislative improvements. As a consequence, an agreed

Rates of the Future?

charge must now remain in effect for three months before it can be challenged, and it is challenged by reference to a minister of the Cabinet.

Agreed charges in 1949, for all Canadian railways, produced about $8.5 million, or 2.6% of all intra-Canadian gross. In 1955 that had increased to $45 million, or 8.2%, and by 1958 to $101 million, or 15% of total intra-Canadian gross. We find them very effective.

Kennard: Canadian industrial traffic departments are generally favorably inclined toward agreed charges.

One particularly obvious reason why an industrial firm favors them is that the contract is made for at least 12 months. Our production and marketing costs, and our sales and administrative expenses, are pretty well estimated before the year begins. It is just the same with our transportation costs. These costs are all allocated to product. Particularly when competition is keen, we see a very great advantage in having knowledge of what our transportation costs are going to be.

Another advantage is the fact that agreed charges — and I refer to the more recently negotiated ones—contain what could be called an escalator clause, or a deferred escalator clause. This states that, if the Board of Transport Commissioners grants a general rate increase, this increase will be applied to the agreed charge. The inference is that the charge shall be increased at the end of the contract period. These contracts can be terminated after 12 months, after 90 days' written notice by either party. Thus, the shipper in Canada under an agreed charge gets far more notice of a general increase than he does under a general increase authorized by the board, or by the Interstate Commerce Commission.

I have found, that, during that 90 days, the railways are most cooperative about negotiating and discussing whether the rates should be revised or not, depending on competitive conditions. That also is a great benefit.

Overseas competition has a big influence on our sales. The railways are able to sit down with us and formulate an agreed charge to cover that traffic. A rate which will move the traffic and make us competitive to sell it, will provide tonnage for the railroads, and at the same time release them from having to publish the same rate on the same commodity to other points where other shippers might take advantage of it, even though the competitive justification does not exist.

Smaller shippers, as Mr. Edsforth has mentioned, may participate in these agreed charges, by Notice of Intent. Our company, for example, has initiated 12 agreed charges on our own account, and many of those have been participated in by other companies—in general, from the same points of origin to the same destination, on the same commodity, with the same carload minimums and under similar conditions.

Over all, it's our finding, and I think most Canadian industrial traffic people have found, that our relationship with the carriers in negotiating, or renegotiating, agreed charges, has been most cooperative. The railways are obtaining tonnage and that is the most important consideration. If they were merely to publish the same rates as competitive rates, they would not be sure whether they were getting 40% of the business, 30%, or 90%. But when we sign an agreed charge, we tell the railways we will guarantee them, say, 85% of total tonnage. They are assured of this. They can more or less put that agreed charge aside and consider that for the next 12 months they have obtained whatever the amount may be of the traffic that will move.

Primer on Guaranteed Rates

Thorfinnson: The Soo Line's guaranteed rate proposal [presently under suspension by the ICC in I&S 7151] is a tariff to apply on movement of pipe and tubing from Sault Ste. Marie, Ont., to Chicago and the Chicago district via the Soo, the Duluth, South Shore & Atlantic, the Milwaukee and the North Western. The tariff contains rules which would permit the shipper to use what we characterize as a guaranteed rate, as an alternative-incentive rate in lieu of the normal commodity rate, if he has filed Notice of Intention to ship under that rate and has filed a bond in accordance with the tariff. The proposal was the result of considerable study by the Soo Line Traffic and Law departments. It has been approved by the Western Railroads, and carries with it their backing as to its principle as a type of alternative-incentive rate-making.

It is different from Canadian agreed charges in that we do not require the shipper to execute a formal contract for any definite period. When the shipper complies with the tariff terms, in filing Notice of Intention to ship under the tariff, he files a bond. He thus establishes a situation which creates, with regard to each individual shipment, a contract which requires either that he must ultimately meet certain terms and conditions with respect to volume of traffic shipped by rail; or, in the alternative, that he pay us the normal tariff commodity rate for that particular shipment. Every time a new shipment is tendered, a new contract comes into existence by operation of law. But there is no formal contract, as in Canada, and there is no one contract that covers all shipments for the entire period of time contemplated.

Our guaranteed rate does not carry with it any penalty conditions attached to a contract covering the entire period. The only penalty in any sense that could result from shipping under our rate, would be the difference in cost between what a shipment could move for under the guaranteed rate and what it could move for under the normal tariff commodity rate. Even that penalty would exist only if at some point along the line the shipper elects to change to a different mode of transportation, and does so with the knowledge that he has a greater obligation as to prior rail shipments, to the extent of paying undercharges for the difference between the two

(Continued on page 27)

PERFORMANCE PROOF No. 120

First reefer with built-in arrives in Florida,

RAILROAD MEN!

THIS MECHANICAL REEFER, EQUIPPED WITH THE P-S COMPARTMENTIZER, IS MAKING NEWS—news of positive temperature control combined with in-transit lading protection. This advertisement is appearing in publications reaching over 35,000 top traffic men.

Arrival, Miami—Left to right: Food Fair Southern Division executives Ben Silver, Dan Pesce and Leonard Schaffel inspect the load at Miami. They found the entire load in perfect shape, no damage from handling or from heat. Despite a 90 plus temperature on arrival the car thermometer showed 4 below. Another low cost, high profit Compartmentizer shipment.

Food Fair—the nation's 6th largest super market chain—receives Compartmentizer-equipped, refrigerated box car—welcomes safety, simplicity and savings. Protecting a frozen food load isn't only a contest with vagrant temperatures. Damage from car handling impacts, shifting loads, improper handling at stop-off points can be just as costly.

The new Pacific Fruit Express car shown here is the first refrigerator car specially built to take this problem in hand. It's the *first* to be equipped with built-in lading protection . . . the P-S Compartmentizer.

This is important news to you. And here's why.

The Compartmentizer is easy to use—just two pairs of tough steel gates do the whole job. Move them up to the load face—they roll on tracks—and lock in place. That's all. No tangle of bulky parts to wrestle in and out of the car . . . Compartmentizer protection is easy as closing your own front door.

Compartmentizer simplicity saves you money—Food Fair reports unloading time as much as two hours per car faster than ordinary box cars or cars equipped with other protection devices. And there's no need for shipper-installed bracing and blocking . . . one prominent user reports savings in lumber and labor totaling up to $20.00 per car.

Its load protecting ability and versatility is dramatically illustrated by this coast to coast, stop-to-complete-load shipment. The shipper, the John Inglis Frozen Food Co., loaded the first portion (19,800 lbs.) of the 61,208 pound load into the A-end of PFE 301212 at Santa Maria, California.

lading protection nips damage in the bud

Loading, Santa Maria Cold Storage Co., Santa Maria—Compartmentizer gates don't interfere with loading, stand flush against the car wall. High loaded skids can be quickly placed right where loading crews want them for fast loading.

Loading, Union Ice & Cold Storage Co., Santa Cruz—An uneven load face presents no problem for the Compartmentizer. As shown here, the gates are merely staggered to meet the condition, then locked as usual. No security lost, no gap-filling dunnage is needed.

Loading, Merchants Refrigerating Co., Modesto—Third stop uses doorway area to complete load. Just that easy to separate loads and prevent mix up in stop-off shipments, too. And pilferage is barred because you can seal Compartmentizer gates.

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Compartmentizer gates were locked on this load, and the car moved to Santa Cruz where 20,510 pounds were locked in Compartmentizer security in the B-end. Then on to Modesto for final loading. Here, 20,898 pounds were stowed in the center of the car, tightly flanked by the Compartmentizer gates, and the car was on its way to Miami. In all, 8 roads (SMV, SP, MET, UP, CB&Q, L&N, ACL and FEC) handled the movement, yet not a single carton was damaged.

If you'd like to give the cold shoulder to damage and dunnage problems, specify Compartmentizer-equipped cars for your shipments. It's the one sure way to be certain that every shipment produces more cold profit.

These shipper conscious carriers have P-S Compartmentizers in service or on order to serve you . . .

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Bangor & Aroostook
Central of Georgia
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Chicago, Burlington & Quincy
Chicago Great Western
Chicago & North Western
Fruit Growers Express
Great Northern
Merchants Despatch Transportation
Milwaukee Road
Minneapolis & St. Louis
New York Central
Norfolk & Western
North American Car
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Union Pacific
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"Life of rail on high side of curve has been extended up to 300%."

"Outside rail on curves, formerly changed every two years, now transposed only when low rails become corrugated and flattened."

"Less gauging due to rail wear, saving labor and ties."

"Canting of rail on curves has been reduced."

"Significant reduction of wear on switch points, frogs, and special trackwork."

"Without track lubrication, leading wheels of diesels required turning for flange wear at 20,000 miles."

"250% increase in wheel life."

"Lowest maintenance cost."

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Racor units lubricate up to 360° included angle of curve within ten miles of track. Additional capacity is obtained in multiple installations. Models available for both jointed and welded rail.

A-2293

CAN THE U.S. USE 'CONTRACT RATES'? (*Continued from page 22*)

covers only traffic specifically mentioned in the contract.

Hope: It would be a plus feature, of course, if you could get the 100% rate on the outbound by means of an agreement on the inbound, especially nice for the carrier if the manufactured product had a higher rating than the inbound raw materials. He might have an incentive to ship the outbound by rail, instead of, say, by truck, to make up the 100,000 tons. That way, you would get the higher rate on the outbound.

Edsforth: We'd try to make an agreed charge on both.

Willson: About 85% of our tonnage has been forwarded under agreed charges in Canada.

Landis: You find it an acceptable method of rate-making?

Willson: Very! I'd like to make it 100%.

[At this point, Mr. Thorfinnson explained the Soo Line's "guaranteed rate" proposal. See page 23.]

Hope: Mr. Thorfinnson, if the ICC orders an ex parte increase, would that automatically be applied to your guaranteed rate?

Thorfinnson: When we negotiated that rate, we were looking ahead to what we think the rate level should be for a one-year period. So, in my present thinking, it wouldn't be our intention to apply any increase. The proviso that the rate will not be increased "except upon order of the ICC," was designed to protect us in the event of a minimum rate order, where the commission might hold that our rate was below a minimum reasonable rate and require it to be raised to a certain level.

Baylis: He doesn't want to get caught in case he gets a minimum rate order thrown at him because of diversion of business away from some other form of transportation.

Parr: Have you an idea of the minimum tonnage you feel you should get from the shipper who avails himself of this guaranteed rate?

Thorfinnson: No. Frankly, I can see situations on some of our light-density branch lines where, if we could assure ourselves of 50 carloads a year of new traffic, we would be very happy to make a guaranteed rate. I think it's

(*Continued on page 30*)

PATTERNS FOR RATES OF THE FUTURE? (*Continued from page 23*)

rates. In other words, our guaranteed rate does not restrict the ability of a shipper to change to other modes of transportation, as a Canadian agreed charge does. Similarly, our tariff carries with it a specific guarantee that we will not raise the rate, unless otherwise ordered by the ICC, during the period the rate is to be effective.

These differences between Canadian agreed charges, and a guaranteed rate as we have proposed it, are those we thought necessary to be sure our rate would be lawful under the Elkins Act, the Interstate Commerce Act, and the anti-trust provisions. A condition requiring us to guarantee the level of the rate removes one of the objections of the U.S. Supreme Court to the dual contract rate approved by the Federal Maritime Board and reversed by the court in the Isbrandtsen case. Similarly, we hold ourselves out to carry all traffic over any routes, in any proportion the shipper desires to tender.

Every one of the carriers that are parties to this tariff is willing and, in fact, eager to carry 100% of the traffic, if they get the chance to do it. There is freedom among the carrier parties to compete equally with the other rail carriers for the traffic.

The requirement of a bond is intended to insure that there will be no possible violation of ICC credit regulations. Charges assessed initially are those called for by the tariff. If, eventually, undercharges for the difference between the normal tariff rate and the guaranteed rate must be assessed, we have the bond to insure our ability to collect.

Inspection of the shipper's records for the railroads involved will be done by the Western Weighing & Inspection Bureau just as they inspect shippers' records to verify any other railroad agreement with industry.

We feel that the guaranteed rate, as we have set it up, is a rate designed to meet a specific situation, where there is intense competition existing or threatened, and primarily where it is competition from unregulated carriers—either private carriage or on exempt commodities. In the situation we have at Sault Ste. Marie, an unregulated water carrier is seeking this traffic.

The benefit to us comes from the assurance that we will not be establishing a reduced standby rate, but rather that the rate, if used, will result in sufficiently increasing our volume of traffic to justify the rate we propose, which will maximize our earnings from that traffic. We will have a guarantee to protect us against dissipating revenues, and, if the traffic is going to move under the guaranteed rate, we will have the ability to anticipate it, and plan car supply and motive power needs for its movement. We should be able to plan our transportation needs more economically to serve the shipper.

From the shipper's viewpoint, since the rate is acceptable to him, we feel we are giving him assurance for one year of a stable transportation cost with the type of service he needs to meet his particular problem.

The guaranteed rate is effective for only one year, though necessarily we would continue it for additional years if it proves satisfactory to us and to the shipper.

The difference between the guaranteed rate and the normal rate is based on the same type of negotiation used in establishing agreed charges in Canada. We are not going to establish a guaranteed rate at any lower level than is necessary to meet the shipper's needs. In this instance, the shipper has been realistic and has not asked for anything lower than necessary to meet total transportation and warehousing costs as he faces them.

There is, I feel, as great a distinction between a guaranteed rate and a normal commodity rate for point-to-point movement, as there is between a proportional rate and a flat rate, in that the commodities are not being transported under substantially similar circumstances and conditions. The very guarantee of an assured volume to move on that rate level is sufficient to change the transportation circumstances and conditions, just as existence of a prior rail movement changes the transportation circumstances and conditions to justify a proportional rate at a lower level than a flat rate between two points.

Why Great Northern uses Bethlehem heat-treated rails

Back in February, 1951, engineers of the Great Northern selected two curves—No. 20 and No. 22—on its main line near Carlton, Minn., as sites for comparative tests of heat-treated versus untreated rails. The curves were comparable in most respects, including their curvature of 4 degrees.

Track gangs installed 88 Bethlehem heat-treated rails, 115 RE section, on both high- and low-side rails in curve No. 20. Similarly, 88 non-heat-treated, end-hardened rails were laid in Curve No. 22.

Four and one-half years later, after carrying 193,000,000 gross tons of traffic, the original untreated rails on the high-side of Curve No. 22 had to be replaced because of extensive shelling. In fact, at least one of these untreated rails had developed a detailed fracture from the shelling. The remaining rails, including all the heat-treated rails, continued in service.

When these photographs were made in October, 1958, some 316,000,000 gross tons had poured through the test curves. Results were conclusively in favor of the heat-treated rails, as the contour tracings testify. Bethlehem heat-treated rails are now being installed on a number of curves on the system which have been expensive to maintain because of wear.

Perhaps you would be interested in the details of this and other successes being scored by Bethlehem heat-treated rails for a growing number of representative railroads.

One of our engineers is eager to discuss these success stories with you. Just call our nearest district office, or write to the address on the opposite page.

HEAT-TREATED

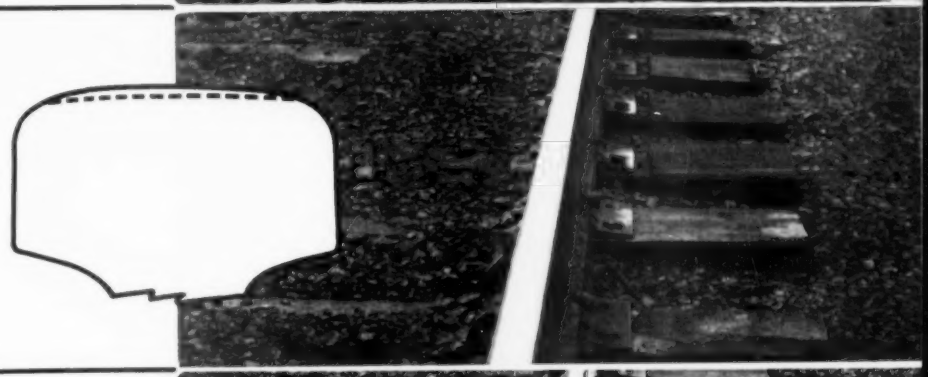
Curve No. 20, high-side rail. Average wear of 5.0 pct considered typical, with light flaking and head checks evident.

UNTREATED

Curve No. 22, high-side rail. Contour of original rail at top, replacement rail below. Very heavy flaking. Note wear on replacement rail already nearly equals that of treated rail.

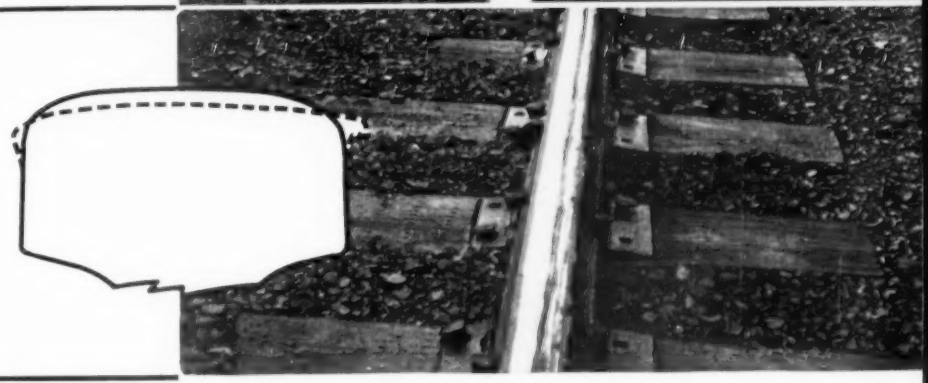
HEAT-TREATED

Curve No. 20, low-side rail. Average wear of 3.2 pct considered typical. Practically no crushing or plastic deformation.



UNTREATED

Curve No. 22, low-side rail. Average wear 4.4 pct. Note heavy crushing and deformation of untreated rails in this curve.



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entirely related to the situation surrounding a particular shipper and the traffic he has. We are looking very seriously at some of the traffic handled westbound in our territory, by wholesale companies who distribute by private truck to the only industries on our grain-producing branches. We have no westbound tonnage and it would be very, very beneficial to us if we could establish some into those areas.

Hudson: Assuming that these guaranteed rates are legal and obtainable under U. S. law, would they ultimately become as effective in obtaining and retaining business for the railroads as they have been in Canada?

"The Snowball Is Growing"

Baylis: I think the term "guaranteed rates" is vernacular, though we're probably all talking about the same thing. Speaking for Eastern carriers, I know the term is going to be "contract rates," not "guaranteed rates."

The term "contract" is intended to make this sound more like a two-way street, so responsibility is on the shipper, with penalties and everything else, just as much as it is on the railroad. Most of the opposition from customers—and we are trying now to get a group of them to be guinea pigs to try this out—goes back to the fact that nobody's tried it yet. We are not quite able yet to say: "We're in the clear. This is the way it's going to be for the future—the way it is in Canada."

Two months ago, you couldn't get an affirmative answer from any shipper, because of the legal questions involved. But the snowball is moving very fast.

Thorfinnson: I would like to point out that we have some difficulty in seeing where guaranteed rates, or agreed charges, could be as generally effective and could be used in the same way as in Canada. There is quite a difference in the marketing of products in Canada, in contrast to the U. S. Production and consumption are much more isolated to specific communities in Canada. The tariffs will be used on a much more widespread basis in the U. S., so it becomes difficult to put in any specific point-to-point rate adjustment, especially in a major industry, under the provisions against discrimination of our Interstate Commerce Act. For example, with about 100 producers scattered throughout the country, all trying to reach into a common market, the question would be whether other railroads serving other producers would come in on a guaranteed rate adjustment. I think it will be quite some time before we know whether guaranteed rates can be used in the U. S., effectively, in the same way Canadian railroads have been able to use their agreed charges.

I'd be interested, though, in hearing comments on Mr. Hudson's question.

Cody: I think it's rather hard to answer at this moment.

Heilman: The marketing factor is very vital. The situation in Canada is entirely different from what it is here. In our case, I can see where guaranteed rates would work on some commodities. On others—no, I don't think they would work.

Parr: They would in a captive situation which you could control yourself.

Landis: Mr. Baylis tells me we might take an inventory of areas where we might be able to do something like that. I don't know, but will say we are going to start combing, looking for areas. We'd love to be a guinea pig.

Baylis: We found an area involving the Seaway, which is a brand new type of competition. We have another, not affected by the Seaway, and other railroads have the same thing. We're getting so close to this, in a simplified way, that if you or others can come up with the next step, a little more complicated, and then a little more complicated after that, these marketing problems will ultimately solve themselves.

Hudson: Mr. Baylis, does your statement mean Eastern railroads are giving serious consideration to contract rates, as a means of meeting Seaway competition?

Baylis: Extremely serious. Such rates are one of the key ways in which Seaway competition may be met. All we are waiting for is to see what happens to the Soo Line tariff. We have nothing ready to file yet, but we shortly will make our own test in Washington.

We are considering two major ways of meeting Seaway competition. One is a year-round rate, especially on bulk commodities, where the bite in the reduction is very drastic. To make that heavy reduction, you have to have some guarantee. That is where your contract rate would come in. Other than that, the seasonal rate matter is being considered, but that is another subject. [See also RA, April 27, page 9.]

Hudson: Do you find any willingness on the part of the U. S. shippers to consider guaranteed or contract rates?

Baylis: A very great willingness, as of now. A year ago the interest was much less, and two years ago the reaction was belligerent. The market, and the "me too" complication of situations where any imortant shipper probably has available at least 10 railroad routes between his origin and his destination, and 10 competitors fighting for the same market, made combinations of trouble that were thought for a long time to be insurmountable. Time after time, we heard the statement: "Things are different in the U.S. Everything is east, west, and very simple in Canada. Only a few railroads, relatively few heavy industries," and all that. That was two or three years ago. Now we find not only willingness, but eagerness to learn about this and to try it out. In steel, which has its marketing zones, and its absorptions, and is as interlocked as any big industry, there was a great look of disdain at this thing, until about a year ago. Now, while all the steel companies are not sold on its merits, there is a great willingness to learn about it and to try it out.

Thorfinnson: We have had a great number of requests from industries for guaranteed rates on commodity movements which they presently have. We never had anything like that six months ago.

Hope: You asked some time ago whether we would accept this if it were legal. We would be interested, certainly. But some of the material on it has led us to believe that perhaps at this point the guaranteed rate is sort of a one-way street, except that the shipper might enjoy a depressed rate.

Thorfinnson: Plus a guarantee that the rate will continue in effect.

Service, Cars, Are Problems

Hope: We don't give that any particular weight right at the moment. The problems with us would be very practical, everyday problems. If, for example, we are bound to a proposition of this type, what recourse or relief would we have if car supply were short?

The other has to do with service. We have for many years been pressing the carriers to produce service that's not just competitive, but better than anything available, whether it's contract, private carriage, or regulated motor carriage. Under this situation, what recourse would we have if a railroad at any point should say: "We are not enjoying the volume of business we were; therefore, we are cutting down the frequency of our schedules?" What happens to us, then, as shippers? We want the standard of service at the time we go into an agreement to be the standard of service, or improved, six months thence.

Thorfinnson: One answer in part to the problem you have stated is that the

(*Continued on page 32*)

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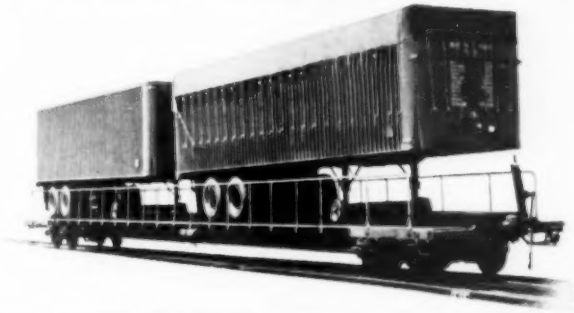

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1. Lowest cost per ton mile
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BAYLIS, PARR and LYNE pay close attention to shipper comments.

CONTRACT RATES (*Continued from page 30*)

required loading is by rail—not by a specific railroad. To the extent that there is rail competition for the traffic, you would have that degree of protection, both on car supply and quality of service.

Kremer: Car supply is no big obstacle. Something could be incorporated in the agreement that, if the railroad was not in position to supply the equipment, that particular amount of traffic would not be charged against you.

As to schedules, this is going to solve a lot of difficulties. If agreed or contract rates would return a larger volume of traffic to the railroads, we would have much less difficulty in maintaining schedules.

Cody: Most of us would like to be transportation statesmen, with the other man's money, but we get around to our own particular problem and we become quite concrete.

Baylis: Service and car supply have not been too well thought out on the U. S. side as yet. But anything that can give the railroads a guarantee and assurance of prospering with the industrial prosperity of the territory they serve, will give you better railroads. They will no longer be a standby service, the way we were in passenger business until we went broke and then some just taking what was left over. If private transportation, or the fly-by-night, or cut-throat rate war principle, are to be allowed to continue to grow with no restrictions, you cannot expect an adequate car supply, because the credit of the American railroad industry is not good enough to borrow money to build more cars.

If, however, we know that key industries, because of concessions we make, are going to guarantee us a high percentage of their traffic, you will have modern diesels, good grade "A" cars. If we can obtain enough traffic that we can depend on day in and day out, to load those cars, we'll get the cars. So the mutual arrangement, I believe, would add up to a great benefit to railroads and to shippers on car supply.

No one likes to sell a tarnished article, or manufacture a poor product. Railroads don't like to manufacture poor service. But industry, remember, is not guaranteeing us any absolute tonnage. They are guaranteeing only a fixed percentage of their tonnage. If business falls into a slump, 80% of the smaller amount is still all we will get. The railroad industry, by knowing it will have that volume, can tool up, can maintain and equip, and be stronger to give good service.

These are only one-year contracts. It's very easy to get out of a one-year contract at the end of the period. It's just as easy to have a take-out clause in there, and that's what we are recommending—that if, for just and sufficient reasons, one body or the other falls apart during the year, he'll be rescued. For instance, if you had only one railroad line serving you, and second-morning was the schedule and you got 10th-morning all the time, you could not be held to the bargain.

As Mr. Thorfinnson said, though, if this thing goes over at all in the U. S., you are going to have 20 routes, all tooled up and ready to handle your volume, instead of just one. We don't intend to guarantee service with the guaranteed rate, but we do believe the nature of the scheme itself will improve on service so there will be no need to worry about it.

Hope: I'm interested to hear you say, though, that it has been considered by the railroads. In other words, there has been some worry about it. I think it's in the minds of a lot of people. They think it's a major difficulty.

Baylis: You see difficulties. We don't, particularly, so let's say it's in balance. In other words, it's something we can correct. If we get across the legality of this thing, and then have the right to go ahead, we can get into these details.

Parr: Canadian experience indicates that car supply is better.

Edsforth: We haven't run into any real problem.

Sikora: If we get more business, we'll take care of the service, or improve the service, on cars.

Sherwood: Mr. Baylis, have you discussed at all with the tariff people at the ICC this matter of an escape clause in the contract?

Baylis: Yes, but of course they can merely express a personal opinion, or refer to what's gone before. The ones we've talked to think an escape clause is unnecessary, because competition between railroads would channel business into the more serviceable route. We figured out, for example, 28 different ways freight could get from New York to Cleveland. There are probably others.

Sherwood: Has the renewal problem come up in Canada, relative to service and car supply?

Willson: I've never encountered it myself.

Baylis: Have you found better service and car supply under agreed charges?

Willson: Definitely so!

Kennard: There is another factor, too. The shipper very often guarantees to ship 85%, sometimes 95%, by rail. There is some extra tonnage there, so if there happens to be a car shortage, you leave yourself an out, unless there is some permanency to the shortage.

Parr: If it came to the point of a continuing shortage, where the railway, in essence, would not be permitting the shipper to ship his full percentage—to that degree, a shipper would be released for that period.

Baylis: There are contracts in Canada that go down as low as 50%; all the way from 50 to 100. Nobody can fall down, of course, if you have a 100% contract. But you can have a lot of things happen and still come up with 60 or 65 or 70%.

Kremer: If someone signs up under a guaranteed charge, you'd make a little extra effort to see that he got the cars.

Thorfinnson: Actually, one factor we considered in deciding on a 90% figure in our guaranteed rate proposal for the Mannesmann Tube Co. [see page 23], was to allow some leeway for their protection in the event it became a burden to move their traffic.

Cody: That protects you, but if a competitive carrier is losing 90% of the traffic he may dry up, and won't be there for the emergency. Then what do you do?

Sherwood: Judging from statistics of Great Lake water carriers, I don't think they are going to dry up if they lose 10,000 tons from Mannesmann Tube. They have shown a substantial growth in the last few years. They will be there regardless of whether the railroads haul these 10,000 tons.

Sikora: We thought we would make inroads on competing forms of transportation in establishing piggyback service. We on the Lackawanna think we are doing a good job. We're carrying a lot of piggyback traffic. Other railroads are doing as well. Yet truck lines seem to have more business than before. They apparently haven't felt the piggyback competition—or at least their increased carryings don't reflect it.

Hope: There is more being produced than ever before.

Kremer: We haven't greatly changed our relative position with respect to traffic or production.

Baylis: In Canada, the motor carrier industry is not regulated. That is one reason railroads were permitted to go ahead on agreed charges. In the U. S., so-called common carriers are regulated. If the assumption that contract rates are legal is correct, there would be nothing to prevent regulated truckers in the U. S. from making the same type of rate. That's all right with me. We are not too worried about common carrier trucks; they are running into inflationary problems the same as we are. It's the fly-by-night, the buy-in-buy-out, the gypsy and the privates that are skimming the cream off the transportation. There is no objection to giving common carrier truckers the same right to make contract rates that railroads would have.

Kremer: I feel the same way. If we can go out and negotiate a charge on the basis of our costs, and whatever we can offer in the way of service, the common carrier trucking industry should have the same right to go out and negotiate rates based on whatever they can offer in the way of costs and service.

Thorfinnson: To a very large extent we are faced with that sort of competition from contract carriers today. All we are asking is for an equalization of competition. That is all. They do it; why can't we?

Landis: Who initiates agreed charges—railroads or shippers?

Edsforth: It works both ways.

Parr: We often find that, once an agreed charge is negotiated, there's a scramble to get into it on the part of others who originally were not particularly interested.

Edsforth: I was looking at one this morning where we started out with 8 or 10 large shippers. Now there are 62 others in it.

Baylis: To what extent do shippers keep repeating year after year, and to what extent do they resign?

Parr: Largely they are repeaters. Withdrawals are negligible. This is evident from the figures—70 in 1955, 155 in 1956, 280 in 1957, 473 in 1958, 546 in 1959. Some have been renegotiated, some have been subjected to increases, and some are still on the original level.

Hudson: Mr. Baylis, you said there were something like 28 routes between New York and Cleveland. Could you get all the railroads involved to agree on an agreed charge between those two points?

Baylis: Probably one or two would think up the idea and sell it to one or two more, and eventually they'd all join.

Kremer: The attempt to negotiate wouldn't be a great deal different from the process we go through at the present time.

Baylis: Not a great deal.

Edsforth: That's what we go through in Canada. Shippers and railroads agree on an agreed charge, and railroads agree among themselves. It's just the same as on a normal rate.

Parr: Except that it takes a different form of publication.

Baylis: Anticipating that very thing, Eastern roads have agreed to handle this entire matter, for the foreseeable future, until it falls into a normal pattern, at the traffic executive level, so no one will be running for a popularity contest, or doing something others don't know about, and everyone will have an equal chance to join anything that is published in Official Territory. We think that's fair. We think it's best for the shipper and receiver. We think it will speed up the same pattern we have in Canada, where it is all handled through the Canadian Freight Association, as a centralizing body. It has worked very, very well.

Hudson: Checking of shipments is done by the Canadian Freight Association?

Edsforth: Canadian Freight Association inspectors, who check a lot of things.

Hudson: Presumably, that could be done here through established bureaus.

Sikora: Official, Southern and Western.

Hudson: They could be set up to do whatever verification is necessary, if these rates go into effect in any substantial number?

Edsforth: It would hardly be practical to have individual railroads go in to verify shippers' records. I see serious objections to that. All agreed charges in Canada are issued through the Canadian Freight Association.

Baylis: I think, if we get this tariff accepted in a relatively few cases, and published and in effect, by the ICC in Washington, we will have very little trouble on the contract rate principle within the states. The bulk of your movement on a thing like this will be interstate.

•

The meeting concluded with an explanation by Mr. Baylis of the volume rates on coal recently put into effect by Eastern and Pocahontas railroads for certain utility companies. These rates—allowed, but still under investigation by the ICC—were made to meet competition. They are guaranteed for a year; and in addition, provide for a substantial reduction per ton if volume shipped reaches stated figures.

Essentially, Mr. Baylis said, they are "contract rates, based on absolute tonnage rather than on a percentage basis." Their approval, he added, shows "broader thinking by the commission."

KENNARD (left), explains why Canadian shippers like agreed charges, as Thorfinnson listens attentively.

The Composition Brake Shoe and its contribution to economy in railroading

A factual report based on more than 190 million vehicle miles of successful experience with the Cobra* brake shoe under all kinds of operating conditions.

Through the years operating requirements have necessitated many changes in railway braking. Improvements have been made in control devices and components, but not until recently has significant progress been made in the development of an improved friction material for brake shoes.

Approximately 4 years ago, a modern composition shoe, called the Cobra brake shoe was offered for commercial use. The Cobra brake shoe has the frictional characteristics considered most desirable for braking railroad vehicles. It is the result of over ten years of intensive research and development by Westinghouse Air Brake Company working jointly with Johns-Manville Corporation. There are now over 190 million vehicle miles of successful service experience with the shoe.

Increased shoe life

Longer brake shoe life can result in lower maintenance costs per mile of train operation. It permits vehicles to be operated for extended periods without replacing brake shoes and adjusting piston travel.

Service experience confirms that the Cobra brake shoe provides appreciably longer life than cast iron shoes doing an equivalent braking job. On the average, the advantage is from three to five times the service life obtained using cast iron shoes. The resulting monetary savings in many cases are sufficient to amortize all conversion costs in less than a year.

Wheels last longer

A great deal of study and research has been directed toward assuring good wheel performance with composition shoes. The Cobra brake shoe was designed to distribute the braking heat evenly over the full contact area. This characteristic eliminates thermal damage for all normal service.

Performance with Cobra brake shoes has been observed very closely in many types of service. It has been found that when doing the same braking duty as with cast iron shoes, there are fewer wheel removals for reasons such as shelling, thermal cracks and thin flanges. In average passenger service, results obtained from cars fully equipped with Cobra brake shoes, show that the wheel life, considering removals for all causes, has increased as much as approximately twice the life normally expected.

The retardation performance of vehicles using the Cobra brake shoe more closely parallels rail adhesion than vehicles using cast iron shoes because the Cobra friction value is more uniform. This characteristic, in addition to permitting optimum stop performance, also permits improved train handling. Any tendency or relative movement between cars is materially reduced and the lurch at the stop is eliminated as there is only a moderate but intended increase in retardation at lower speeds.

The effect of more uniform friction on braking performance is shown graphically on the chart below. The retardation rate using Cobra brake shoes is uniform for the higher speeds and gradually rises as the stop is approached. Note the rapid increase in retardation at the lower speeds using cast iron shoes.

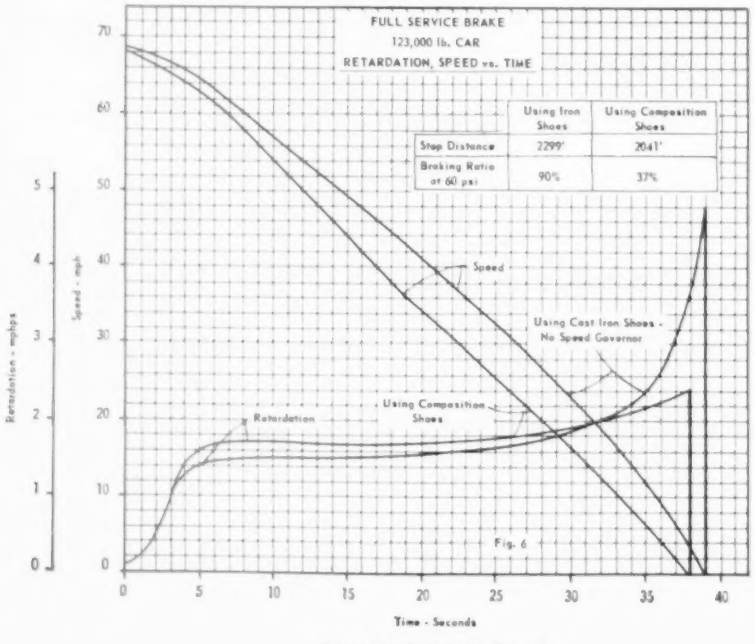


Fig. 6

Greater passenger comfort-lading protected

The uniform friction characteristic of Cobra brake shoes permits holding a brake application of any degree until the stop is completed without discomfort to passengers or damage to lading. When using cast iron shoes, the accelerated increase in friction as the speed decreases, results in a rough stop unless the brakes are graduated off or released.

Quieter, smoother ride

Cobra brake shoes clean and polish the wheel tread thoroughly, thereby decreasing the vibration and noise associated with the wheels rolling on the rail. This reflects a noticeable improvement in the quietness and smoothness of the ride. Clean wheel treads are conducive to good wheel-rail adhesion and are also favorable to positive shunting of rail circuits for signal operation.

The Cobra brake shoes, braking on wheel treads, preserve the good riding qualities of new contour wheels throughout their complete period of service.

*Registered U.S. Trademark

This performance has been observed on many different applications but it was recently explored carefully during an extensive series of breakaway tests.

Complete data with respect to shoe and wheel life was developed on a car using the Cobra brake shoe during more than three years of operation in mainline, high-speed passenger service. Single car breakaway tests were made to confirm that this car was braking at the intended level. During these tests it was apparent to all present that the car using Cobra brake shoes rode very much better, especially at higher speeds, than the companion car which used cast iron shoes. The car using cast iron shoes operated in the same class of service and was an identical car with respect to construction, yet it had a noticeable lateral motion at speeds above 60 mph which became objectionable for all speeds above approximately 70 mph. The difference in ride is especially significant since the wheels using Cobra brake shoes had over 150,000 miles of service since last turned as compared with 87,000 miles of service with the wheels which had operated with cast iron shoes.

To further research the effect of the wheels on riding qualities, the two cars were instrumented and placed—one on either side of a like car which served as a reference car. The two cars under discussion were operated with the reference car as a 3-car train, handled by a locomotive. The car with Cobra brake shoes was the lead car during some of the tests and the trailing car for others. The reference car always remained between the two. In all cases, irrespective of position, the car braked with Cobra brake shoes definitely rode much smoother than the one braked with cast iron shoes as determined by the instruments which measured lateral, vertical and longitudinal movements of the cars.

One of the prime reasons that quieter, smoother rides are experienced with the Cobra brake shoe is that the original wheel taper and the full thickness of the wheel flange is closely maintained throughout the complete service life. This is illustrated by the profiles shown below which are representative of the wheels under discussion.

Less motive power required

Cars using Cobra brake shoes have exceptionally low rolling resistance. A series of single car drift runs were made with brakes released on tangent level track to permit evaluation of this. The results showed that to balance or maintain the speed of a single car, appreciably less horsepower is required for a car using Cobra brake shoes than for other forms of braking. It results from the smoother rolling qualities of a car using the Cobra brake shoe which is reflected in less vibration and consequently less power loss.

Reliable performance

It is essential that the friction material used to provide the retarding force during braking must be stable under a wide range of operating conditions including extremes of temperature as well as wet weather. In developing a modern composition shoe suitable for braking railroad vehicles, reliability was considered to be of paramount importance.

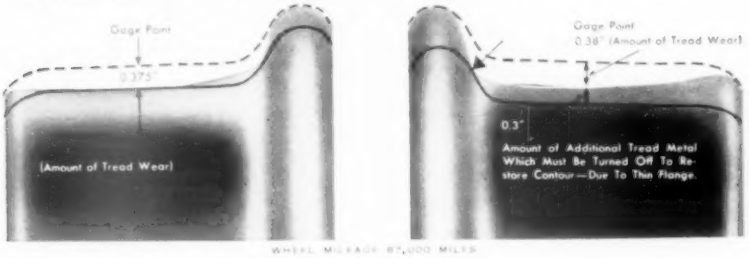
Before the Cobra brake shoe was offered to the industry commercially, extensive research and development work was done in the laboratory to insure the friction material had the required stability. This work was supplemented by extensive breakaway tests and repeated during rainy weather to produce naturally wet conditions of the wheel and rail. The results obtained clearly show the performance provided by the Cobra brake shoe consistently meets existing braking standards. The performance has since been fully confirmed by over 190 million miles of revenue service.

We believe that the Cobra brake shoe is truly revolutionary in its potential for improving railroad brake performance and for reducing equipment and operating costs. Our sales representatives will welcome the opportunity of discussing this subject with you.

Send for Brochure which covers in greater detail the many benefits to be derived from using Cobra brake shoes.

Profiles of Wheels from Car Using Cast Iron Shoes

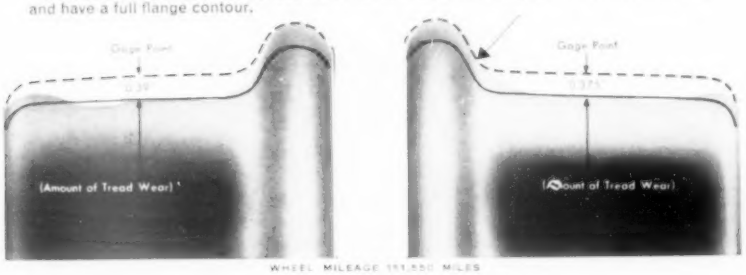
Note that one of the wheels using cast iron shoes has experienced appreciable wear of the flange (arrow) and the wheel has lost its original tread taper.



WHEEL MILEAGE 87,000 MILES

Profiles of Wheels from Car Using Cobra Shoes

The wheels using Cobra brake shoes have maintained the wheel taper in the rail contact area and have a full flange contour.



WHEEL MILEAGE 151,550 MILES

The COBRA SHOE... a product of the combined research facilities of

WESTINGHOUSE AIR BRAKE COMPANY
Specialists in Braking

JOHNS-MANVILLE CORPORATION
Specialists in Friction Material

RAILROAD FRICTION PRODUCTS CORPORATION *Wilmerding, Pennsylvania*

MAY TRAFFIC POLL

(Continued from page 13)

sit on rate committees," could "do a better job and have a better understanding of shippers' problems" if they "could get around more and meet the shipping public."

Almost identically, J. L. Tompkins, traffic manager, Virginia-Carolina Chemical Corp., Richmond, Va., thinks rate adjustments are too frequently "left in the hands of rate officials who do not have full knowledge of shippers' problems." Those officials, should, he suggests, "call on patrons occasionally."

Other criticisms—less serious, judging from the number of times they are mentioned—are directed toward the LCL and off-line situations. On LCL, says F. J. Fruechtemeyer, traffic manager of Cincinnati's Andrew Jergens Co., "freight sales effort has failed rather badly." "There is," he writes, "no effective effort . . . to find any solution to the problem." He adds, however, that this may be "a criticism of the railroad industry in its entirety, and the action of the salesmen may result from the frustration of being unable to accomplish anything." Likewise, E. Rudolph, Jr., traffic manager of Cessna Aircraft Co., Wichita, Kan., finds "very little response to LCL freight or service problems."

On the off-line situation, A. M. Cloninger, general traffic manager of Longview Fibre Co., Longview, Wash., reports that "salesmen of local carriers are fairly well informed. Some for off-line carriers know their own railroad but often have difficulty in obtaining information from their on-line offices."

W. H. Judd, traffic manager, Valley Paper Co., Holyoke, Mass., thinks salesmen's "approach to problems of competition is sometimes quite obscure." And A. E. Farina, general traffic manager, Baldwin-Hill Co., Trenton, N. J., says there are some salesmen—only, apparently, a minority—"who spend too much time either in civic affairs or traffic social clubs."

Only a few respondents commented directly on salesmen's specific knowledge of their customers' particular problems (Question No. 1). Some who did, like Mr. Tighe, think salesmen can hardly be expected to keep up with "the fast-changing problems" of a company "as complex" as Union Carbide.

Similarly, J. P. Dennis, traffic manager, Texas Co., New York, thinks "the ordinary freight solicitor can hardly be expected to be acquainted with the specific problems of every industry he calls on"—especially when they are national in scope. G. T. Gleason, traffic manager, Zellerbach Paper Co., South San Francisco, Cal., agrees that most salesmen would not have time "to thoroughly understand each industry he calls on." He thinks, however, that "the salesman on whose track your industry is located should know thoroughly your wants, operations, complaints. . . ."

Some respondents, however, see room for improvement. Lillian Feek, assistant traffic manager, Consolidated Fruit Co., Calgary, Alta., feels that "most solicitors try to be as helpful as possible, but are not conversant with the industrial side of the transportation field, and not always aware of the pressing needs of their customers."

Mr. Judd thinks railroads should equip their solicitors with "more information and more tools to work with, especially about specific commodities." Motor freight solicitors, he points out, far outstrip railroad salesmen in this respect.

(Continued on page 70)

Railroading After Hours with Jim Lyne

TOPPING THEM OFF—I keep hearing about the ingenious and lucrative "topping off" practice of truck operators—and wondering whether and where a similar practice could be applied by the railroads. What happens is that, after a truck is loaded with a TL shipment, there are usually some cubic feet of space not filled. The truck operator routes all truckloads via his LTL station and "tops off" with LTL. Assuming the rate for the TL shipment is, at least, compensatory—then the LTL "top off" is pure gravy. Truck tariffs reserve the top-off privilege—and, if TL shippers object, they pay a higher TL rate.

Why couldn't Plan II piggyback trailers be similarly topped off? Topping off carloads probably wouldn't work, usually, because of added delays in terminal switching. But it's getting paid for otherwise idle capacity that makes profits fast. I heard the other day of a jet plane that makes a round-trip, New York to Florida, and another round-trip, New York to Europe, all in 24 hours—and with all seats full on all trips. How's that for equipment utilization?

LETTERPRESS ART—Now, along comes a friend who not only knows those old station letterpresses by sight, but who actually operated them. Loyd Kiernan (who started out with the IC, worked for the AAR, and was executive v-p of the B&M) is my informant. Writing from Rio de Janeiro (where he is railroad transportation adviser to the government railways) Loyd says:

"Working a letterpress was quite an art. You had to take account of at least four variables—type of handwriting, number of copies, moisture in the cloths, amount of pressure applied. You didn't get a second chance, either. It was OK the first time or write it over."

LONGEST TOFC HAUL?—Charley Ragland of the New Haven believes the NH has originated the longest piggyback haul yet—8 trailer loads of printing presses from Boston to San Diego, 3,728 miles.

FOUR CORNERS—I read with a lot of interest our report (May 4) on the North Western's "Car-Fax" system of keeping track of freight movements. Out of these improved methods, one of these days, somebody is going to come up with a practicable system of compiling a "freight service ratio," showing just what the customer is getting in the way of deliveries, in percentages of par for the course. Such a ratio, I'd guess, might do as much for railroading as the diesel has.

I am reminded, too, about that word "carfax." Just by chance I found out that it means something besides a method of tracing car movements. It is an old word, signifying "a place where four roads meet." In Oxford, England (for example), the street intersection that marks the center of the business district is called Carfax.

"I am a Burlington Man"...

• • • I'm a retarder operator at Burlington's new Cicero Automatic Classification Yard.

My push buttons operate switches and speed-controls as we sort freight cars for fast, efficient movement over the Burlington. This yard, costing over $4,000,000, is a substantial investment in improved freight service between the East and "Everywhere West," including the 14 states served by Burlington.

Modern facilities like this help us do a better job with increasing volume of freight. They're just one more reason why I'm proud to say...

"I am a Burlington Man!"

• *Strategically located* in the Chicago Industrial District, this new yard has 93 miles of track with a capacity of 5,777 cars. It's modern, compact, and efficient.

Burlington Route

Chicago, Burlington & Quincy Railroad
Colorado and Southern Railway
Fort Worth and Denver Railway

BURLINGTON LINES · *Everywhere West*

Ideas for Better Shipping

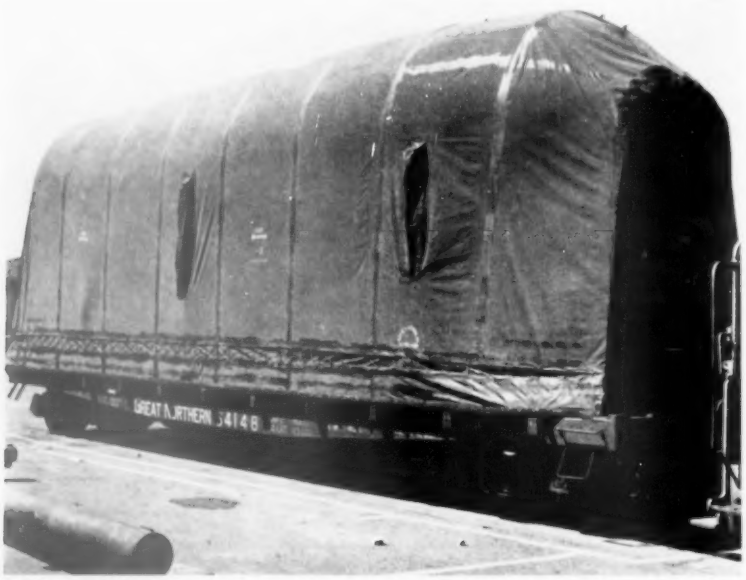
ALL IT TAKES to handle four 55-gallon steel drums as a single unit, without a pallet, is two pieces of rough lumber, 1 in. by 8 in. by 46 in.; 33 ft of ¾-in. by .035 steel strapping, and two strap seals.

'Look Ma—No Pallets' For 55-Gallon Drums

Western Pacific research engineers have developed a palletless handling technique for unitized loads of four standard 55-gallon steel drums weighing up to 1,700 lb. The new method is an outgrowth of the WP's success in handling unitized loads of cased goods without pallets (Railway Freight Traffic, Feb. 1958, p. 17).

In the new four-drum unit, the drums are separated in pairs by two pieces of rough lumber. One piece is placed between the swedges of the drums; the other, between the bottom chines and the lower swedges. The drums are then unitized with two steel bands, one above and adjacent to the top swedge; the other below and adjacent to the bottom swedge.

The upper wooden separator also functions as a lifting beam. Lifting itself may be accomplished by a chain sling or by a simple hook arrangement. With the former, the chain is placed over the top of the forks of any standard fork-lift truck, or on a crane or other lifting device. It is then brought down and under the lifting beam.



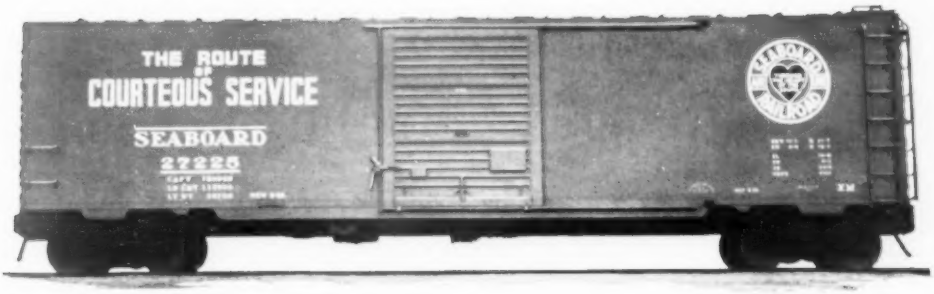
REUSABLE TARPAULINS of neoprene-coated nylon save money for Boeing Airplane Company by protecting open-car shipments of aircraft sections.

Reusable Tarpaulins Protect Plane Sections

Reusable neoprene-coated nylon tarpaulins are saving money for the Boeing Airplane Company in protection of aircraft sections shipped on open railroad cars.

Boeing makes regular shipments of such sections from its plant in Seattle, Wash., to Wichita, Kan., for assembly. The sections were formerly protected by individual cocoons which cost around $500 each, and were destroyed during unloading. The tarpaulins now used for the same purpose cost more initially—up to $1,000—but may last for as many as 25 trips. Repairs during the first year of tarpaulin use have proved minor; have been made with patches and rubber cement.

The company uses about 15 different types and sizes of tarpaulins for various shapes and sizes of aircraft sections. Each type is designed by Sunde & d'Evers, Seattle sailmakers; and made of 16-oz Coverlight-N neoprene-coated nylon supplied by Reeves Brothers, Inc., New York.



X 1,000!

One thousand new box cars — just ordered by Seaboard — will be on our rails by August.

Nailable steel floors, built-in blocking and bracing devices, roller bearings and other modern features, such as integral snubbing devices, will make these new cars among the finest ever built. Maximum protection for lading is assured by the advanced design and construction of these cars.

This $11,000,000 investment in new equipment is another evidence of Seaboard's determination to see that the transportation needs of its patrons are adequately met — and of Seaboard's deep-rooted confidence in the future of its dynamic growth territory — *the Seaboard Southeast.*

John P. Derham, Jr.
Vice President
Seaboard Air Line Railroad
Richmond 13, Virginia

SEABOARD
AIR LINE
RAILROAD

THE ROUTE OF COURTEOUS SERVICE

Mr. Shipper: Are

*1

preventing your shipments from arriving

The **DRI-PROTECTO CAR is a compact car offering maximum protection from heat or cold for those long hauls of straight loads where temperature extremes are encountered. Movements of dry commodities that require that extra protection for customer's satisfaction are best handled in this car. The DRI-PROTECTO CAR also offers complete protection against infestation.

The DRI-PROTECTO CAR is heavily insulated and offers a smooth, flush interior and can eliminate or greatly reduce car preparation costs. Consult with NORTH AMERICAN. Test cars furnished promptly.

**AAR Classification—R.B.

Important features of the DRI-PROTECTO CAR

1. Inside of doors are flush with sidewalls, eliminating doorway strapping and providing smooth wall from end to end.
2. Smooth varnished interior walls, reducing or eliminating sidewall cooperage.
3. Six-foot sliding steel doors, allowing free movement of mechanical loaders in and out of car. Palletized loading.
4. Fully insulated—sidewalls, roof, floors and ends.
5. Constant temperatures because of insulation reduces or eliminates condensation.
6. Extremely tight construction of car provides cleaner lading for consignee.
7. Availability of identical cars is beneficial to pattern-type loading.

*1 HEAT 2 COLD 3 INFESTATION

REMEMBER—IF IT'S NEW, IT'S NORTH AMERICAN

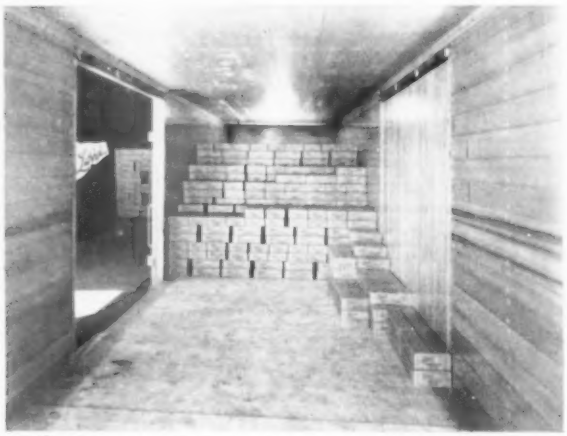
these CULPRITS

at destination in excellent condition?

DEFEAT THEM  BY SHIPPING IN

NORTH AMERICAN CAR CORPORATION'S

DRI-PROTECTO CAR



Libby's Shipment of Canned Goods in DRI-PROTECTO CAR by Libby, McNeill & Libby

Wyeth Shipment of Drugs in DRI-PROTECTO CAR by Wyeth Laboratories, Inc.

Chiclets Shipment of Chiclets in DRI-PROTECTO CAR by American Chicle Co.

NORTH AMERICAN CAR CORPORATION

231 South LaSalle Street, Chicago 4, Illinois
Telephone Financial 6-0400

North American Car Corporation
Sales Dept. Attn: Mr. H. R. Platt
231 So. La Salle Street, Chicago

Send further information on DRI-PROTECTO CAR to:

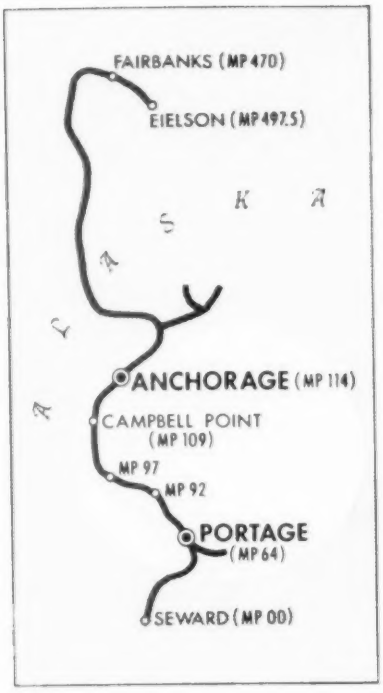
Name_____ Title_____

Company_____

Address_____

City_____ Zone_____ State_____

REPEATER STATIONS like this one at Mile Post 97 have replaced the vulnerable pole line.



MICROWAVE SYSTEM on the Alaska RR connects Anchorage and Portage

Alaska's Microwave Cuts Costs

The Alaska Railroad has reduced expenses by installing a microwave system which cost $350,000.

The 45-mile communications system will cost less to maintain than the storm-damaged pole line it replaced. Rebuilding the pole line would have cost more than the new microwave setup.

The microwave system handles all the road's communications. It extends along the main line from Portage north to Anchorage. This region is in the south portion of the 500-mile railroad, which runs from the ice-free port of Seward, on the Pacific, north to Fairbanks in the permafrost area of the Yukon.

In the Portage-Anchorage territory, winter temperatures sometimes drop to 30 deg. below zero. Poles are lifted out of the ground 4 to 6 inches annually by frost heaves. In some portions of the region, warm air from the Pacific drifts in close to the ground. Snow, passing through the warm air, falls in globules of liquid ice that adhere to everything. Wire lines laden with ice collapse crossarms and poles, wrecking miles of line, even though double and triple the normal number of poles are used. Snow slides are the major hazard. Under conditions like these, maintenance costs can soar.

The Alaska's microwave system has two terminals and three repeater stations. From railroad headquarters in Anchorage (MP 114), the microwave signal is beamed to a passive repeater on a nearby water tower. The first hop is 7.7 miles to Campbell Point (MP 109). From this repeater station, the signal is beamed 12.8 miles to another repeater at MP 97. To take advantage of a high ridge to provide a good beam path, the signal is reflected in and out of the next repeater station at MP 92 by passive reflectors. This repeater station is at trackside for access for maintenance. The last hop, 23.6 miles, is to Portage, where the signal is bounced off a passive repeater into the terminal.

The microwave system has four groups of two frequencies each in the 6,000-6,500 mc region, providing frequency diversity service. Frequency diversity is the simultaneous transmission of the same message on two wavelengths. Sensing elements in the receiver instantaneously choose the signal received best. This insures continuous reception despite atmospheric changes which might cause fading of a single frequency.

Microwave channels 1 and 3 are used in coordination with the regular dispatcher VHF radio system. This combination of facilities has effectively increased the range of the mobile stations so that they may communicate with the dispatcher from anywhere.

Microwave channel 2 is used in conjunction with the wayside radio system to supply dial radiotelephone service for six units: section houses at Potter, Girdwood, and Portage (which were cut off with the abandonment of the wire line), and three mobile maintenance crew cars. This provides direct connections from either fixed or mobile stations to the central switchboard at Anchorage.

Microwave channel 4 is equipped for voice plus telegraph carrier. Using 3½-cycle ringing in one direction only, gives the dispatcher exclusive control over the voice channel. Channel 5 is a voice channel with 20-cycle signaling.

The railroad communications technicians are maintaining the microwave system as well as the radio, telephone and printers. Planning and general direction was under the jurisdiction of F. W. Shellhorn, the Alaska's chief communications officer. The microwave and VHF radio equipment and system were designed and installed by Motorola Communications and Electronics, Inc. Carrier equipment was manufactured by the Lenkurt Electric Company.

They went THISAWAY...

Pardner, if you want *your* shipment to get where it's goin' without bein' waylaid by time-robbin' delays, just head it out *thisaway* over the good ol' T&P!

All of the hands on the T&P are fast on the draw when it comes to protectin' and hustlin' your shipments along the trail.

You'll find your nearest T&P traffic trail boss listed below . . . and he'll be mighty proud and pleased to give you a hand any time he gets a smoke signal, war whoop, or phone call from you.

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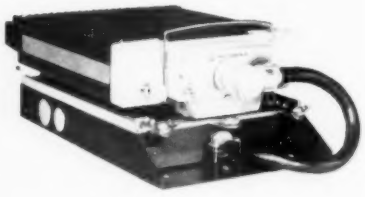
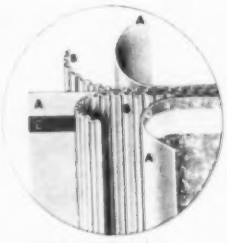
New Products Report





Car Shaker

The recently improved Syntron "unbalanced motor" vibrating car shaker is said to empty hopper cars containing coal or other bulk materials "10 times faster and cheaper" than manual unloading methods. Improvements make the shaker less cumbersome, and provide for better weight concentration and increased car contact. The 4-hp motor operates on 230-460-volt 60-cycle a-c. *Syntron Co., Dept. RA, 294 Lexington ave., Homer City, Pa.*

Caboose Radio

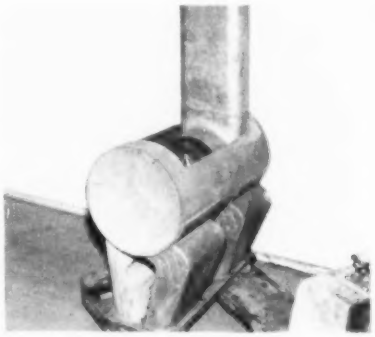
A new caboose radio, operating on 12 volts dc, has a transistorized receiver and power supply. On standby, the radio draws 2.05 amp, about one-fifth that of tube-type radios. Unit measures 11¾ by 18¾ in., and is 4 in. high. It weighs 30 lb. This Motrac radio provides 25 watts RF power output and operates in the 152-174 mc range. *Motorola Communications & Industrial Electronics, Dept. RA, 4501 W. Augusta blvd., Chicago 51.*

Car Liner

The new Steel-Corr car liner consists of three layers of liner board, two corrugated mediums with ¾-in. steel straps imbedded in the material. A special adhesive bonding is said to add moisture protection. Each car kit contains four corner posts, four end posts and 16 side panels. Installation is with roofing nails. No special tools needed. Two men can install it in about 1 hr. *Ford Carliner Division, Dept. RA, 116 North 40th st., Omaha 31, Neb.*

Seafood Preservative

A new antibiotic, aureomycin chlortetracycline, supplements ice and refrigeration equipment to retard spoilage of fish, shrimp and scallops. Recent government approval of its use is expected to increase the demand for transportation of fish to inland areas, and also to minimize problems resulting from distance, time, or temporary delays in transit. *American Cyanamid Co., Dept. RA, 30 Rockefeller Plaza, New York 20.*



Refrigeration Units

A new line of Carrier direct-drive reefer refrigeration units includes systems with two, three and four-cylinder compressors, depending on size of car and desired temperature range. The alternator-motor transmission formerly used is eliminated.

Humidity is maintained at controlled levels for fruit and vegetables, assuring top quality at destination. Like their predecessors, the units can run on standby electric power when desired. To maintain temperatures at above freezing levels in cold weather, the Carrier hot refrigerant gas-heating system is used.

To maintain the desired temperature once a unit is in operation, controls increase or decrease diesel speed, kick in required number of compressor cylinders, and switch from heating to cooling and back again—all automatically.

Seven units are in qualifying operation by four major car builders now, and some have been in successful service for a year. *Carrier Corporation, Dept. RA, Syracuse 1, N. Y.*

Nylon Dust Guard

A dust guard of nylon is said to effectively seal against dirt entry or oil loss at the back of the journal box. It has been service tested for over a year without showing appreciable wear or weakness. In the laboratory, it has been tested for over 160 hr in oil at 300 deg F and cold tested to −40 deg F. It, as well as a new lower cost polyethylene dust guard, exceeds AAR test requirements. *DO Company, Dept. RA, 2815 Broadway, Oakland 11, Cal.*

Diesel Spark Arrester

This spark-arresting equipment prevents large, hot particles from escaping through the exhaust manifold, and reduces back pressure by about 25 per cent. Elbows with turning vanes replace the conventional straight inlet legs on one side of the manifold, and a tee connects with exhaust stack. The sentry is under license from California Research Corp., Standard Oil Co. of California subsidiary. *Farr Co., Dept. RA, 2301 E. Rosecrans st., Los Angeles.*

'Complete study and analysis of the freight traffic picture' has resulted in an 'entirely fresh approach' to problem of selling service


Charles E. Ragland


Arthur J. Miller

New Haven Reorganizes Traffic

► **The Story at a Glance: "To establish a pattern of service based on the needs and objectives of shippers," the New Haven is completely reorganizing its freight traffic department, effective June 1.**

The reorganized department, headed by Charles E. Ragland as vice president—freight traffic, will include five subdepartments: sales, services, rates and divisions, industrial development and market research. Each will be in charge of a general manager "responsible for development of his particular phase of the overall job and the interrelation of his department's activities with those of the others to insure that the railroad gets a maximum share of potential freight traffic."

In what is described as "an entirely fresh approach" to the problem of selling railroad service, the New Haven, on June 1, will completely reorganize its freight traffic department. The reorganization results from a complete study and analysis of the railroad's freight traffic picture which showed: (1) Since 1947 the New England freight transportation market has grown by approximately 25%; (2) in the same period, the NH has suffered a decline in its share of that market.

Charles E. Ragland, vice president of the reorganized department, and his five divisional general managers, will comprise a traffic management "team," which will formulate traffic policies for the railroad.

The sub-departments, with their assigned responsibilities, are:

• **Sales.** The road plans to increase its freight sales representation, both in number of solicitors and in territories to be covered. It will emphasize personal field contacts with shippers, to make the NH an integral part of their transportation program. It will inaugurate a sales training program, which will be, in effect, a continuous study of procedures, methods and goals. Consideration is being given also to incentive bonuses for salesmen, and to a "traffic tip" program for other employees.

• **Services.** Will include such functions as car tracing and handling of specific complaints, but will concentrate on shipper needs for specialized equipment, materials handling, train schedules and piggyback.

• **Rates and Divisions.** Will attempt to develop "realistic rates designed to make shipment by rail undeniable in its overall economic advantage to the shipper." This will include "exploration" of volume rates, incentive rates, and combination rail-truck rates, "to leave no facet of shipper advantage untouched."

• **Industrial Development.** Will continue the railroad's long-range program of attracting industry to New Haven territory.

• **Market Research.** Will analyze the transportation market, by industries and commodities, to determine what share of the available market the NH has, what it should have, and what it must do to realize its full potential. In conjunction with the rate department, the research department will conduct a constant survey of existing rail rates and their relationship to rates of competitive modes of transport. Services of this department will be available also to each of the other four departments, which means that it will explore schedules, equipment and sales methods as well as rates.

The five new divisions of the traffic department will be headed by the following men, as general managers:

Sales — Arthur J. Miller, formerly vice president—sales of the Toledo, Peoria & Western. F. Russell Briggs, formerly assistant to assistant vice president—freight sales and service of the NH, becomes freight traffic manager—sales.

Services—Frederick J. Orner, formerly general superintendent transportation. Frank S. Leddy retains his former title of freight traffic manager—service.

Rates and Divisions — Harold D. Hartmann, formerly freight traffic manager—rates and divisions. George N. Sabin, formerly assistant vice president—traffic of the Chicago & Eastern Illinois, becomes assistant general manager—freight rates and divisions.


Frederick J. Orner


Harold D. Hartmann


Percy E. Benjamin


Eugene P. Sullivan

Industrial Development — Percy E. Benjamin, formerly manager of industrial development.

Market Research—Eugene P. Sullivan, formerly manager, traffic research and development and statistical assistant to vice president, assisted by Frank I. Stern and Charles W. Russell.

Mr. Ragland has been assistant vice president—freight traffic since Jan. 1. He came to the New Haven from the Monon, where he had been in traffic work for 22 years, and vice president since March 1, 1957. In his new position he succeeds W. K. Tate, who is retiring (RA, May 11, p. 49).

●

The New Haven's action is further evidence of what seems now to be a well-established trend—for railroads to reorganize their "traffic" departments as "sales" departments; to give them all the weapons customarily furnished to successful sales organizations in other industries; and, in particular, to lay increasing emphasis on rate and market research. Latest road—other than the NH—to undertake such a remodeling of sales activities was the Western Pacific (RA, April 20, p. 9).

NOW, 800 MORE FREIGHT CARS—

First to design, build and use a hydraulic cushioning device for freight protection, Southern Pacific already has 349 Hydra-Cushion box cars in service, as pictured above. These are 50-foot cars, equipped with interior lading protection devices, and roller bearings. Their outstanding record (a detailed check of over 2,000 shipments showed better than 97% received in good order, 81% in *perfect* order) prompted us to order more of them, and now an additional 800 are on the way. (In addition, the Cotton Belt, an S. P. affiliate, has also ordered 100 Hydra-Cushion box cars, bringing their total to 125.)

These 800 Hydra-Cushion cars represent an investment of more than $13,000,000 in "perfect shipping!" Each car will cost about $17,000 in comparison to the average cost of $9,500 for standard box cars.

All will be 50-ton capacity, 50½-foot cars with 9-foot wide single doors.

700 will have interior lading protection devices to lock loads and prevent shifting.

100 will have "Compartmentizer" interior protection gates.

All will be insulated for maximum protection from low-temperature damage.

All will be equipped with roller bearings.

HYDRA-CUSHION

A TOTAL OF 1,149 IN SERVICE THIS YEAR

Southern Pacific's Hydra-Cushion box cars are in interchange service with other railroads and available for use by shippers throughout America. S.P., furthermore, has sold manufacturing rights for the Hydra-Cushion Underframe to the Evans Products Company and Waugh Equipment Company, so that this important advance in freight protection is available to the railroad industry generally. A detailed check of 2,354 carload shipments of fragile products, such as glass and glassware, appliances and other fragile commodities, showed that Hydra-Cushion delivered 97.8% of the shipments in good order, and 81.4% of the total in *perfect* order!

Southern Pacific

TRAINS • TRUCKS • PIGGYBACK • PIPELINES

UNION 'MUD-SLINGING' RAPPED *(Continued from page 9)*

paign of virulent public denunciation of management developing from labor union headquarters. Our call for labor statesmanship in ending work practices that are ruining a vital industry and its jobs is being answered by high-pitched hysteria, mud-slinging and name-calling. This can only be viewed as a deplorable disregard by union leaders for their own members' best interests."

Featherbedding, said Mr. Loomis, is only "one segment of the picture of inflationary influences arising from labor excesses. Pushing extravagant wage gains far beyond productivity increases is at least equally fraught with grave consequences in price inflation."

He went on to say: "Rail labor proudly points to the fact that workers are handling more traffic today than ever before. This is true, but automation has probably made the job easier—and let's look at what employees are paid for doing it. From 1945 to 1958, railroad employment declined by 41%, yet the total payroll increased by 27½% as hourly wage rates more than doubled. . . .

"Revenue traffic units handled by employees during each hour worked rose since 1945 by 49%, due largely to the more productive plant created by over $14 billion of investors' money. Yet straight-time earnings per hour worked leaped by 169%, or over three times as much as worker productivity."

Mr. Loomis was the featured speaker at the Public Relations Forum's banquet session. At an earlier session, members of the AAR's public relations department—headed by Vice President J. Handly Wright—described how the department works. Assisting Mr. Wright in the presentation were C. O. Morgret, manager, public and special services; J. N. Ragsdale, advertising manager; I. J. Sinclair, manager, school and college service; and J. N. Sites, manager, news service.

Meanwhile, Clair M. Roddewig, president of the Association of Western Railways, told the Central Western Shippers Advisory Board in Omaha, Neb., that "at the moment it appears likely a bitter controversy and perhaps a crisis will develop over rule changes when negotiations begin Nov. 1."

"Let me emphasize," he said, "that the railroads are in dead earnest in demanding that these rules of bygone years be modernized. These employees and their union officers must face up to the fact that these old-time rules have no place in present-day railroading with diesel power, improved roadbed and modernized signaling devices, resulting in faster schedules."

He went on to say: "When I read some of the public utterances of brotherhood officials respecting the financial condition of the railroads, I wonder sometimes if they are keeping their own books and rendering financial statements to their own liking. Somehow they are unable to come to the realization that the railroads are not in a healthy financial condition. They certainly know, or they should know, that railroad earnings are inadequate to maintain a healthy industry."

As the Publisher Sees It . . .

Twenty-two years ago, Simmons-Boardman had a monthly railroad magazine called the Boiler Maker & Plate Fabricator. It was a profitable book, too. But when the diesel came the book was through. With reluctance we ceased publication. We all felt bad—especially the staff of that book whose jobs were jeopardized — that technology had taken over, but the health of the rest of the house depended on this action.

Now the diesel has pretty much spelled the end of the duties of the locomotive fireman. Nobody's especially happy about it, least of all the craft directly affected. But the health of railway labor overall requires acceptance of this reality.

The defense made for its members by the Brotherhood of Locomotive Firemen and Enginemen is based primarily on the fireman's importance as a safety lookout. No special argument, I'd say, for the railroads have not requested removal of this lookout in cabs of diesel-powered passenger trains. It's on the road freights, where there is already a head brakeman to act as lookout, and on switching locomotives, where the railroads would remove the fireman's job. It's not a case of one man in a cab instead of two, but two instead of three.

The plan of the Canadian roads, to let the jobs of senior firemen end by attrition, seems to be a very humane way to minimize the blow technology has struck this particular craft.

Robert G. Lewis

CSTL Suggests Five Steps To Better LCL Service

Both railroads and motor carriers are making "an honest effort" to improve LCL (and LTL) service. That's what J. M. Cody, general traffic manager of Butler Brothers, Chicago, and chairman of the Chain Store Traffic League's LCL & LTL Merchandise Service Committee, reported to the League at its 20th annual meeting in Boston.

Mr. Cody's committee went on, however, to describe cancellation of pickup and delivery service by some rail carriers, and proposals for similar action by others, as "a serious matter" to league members. It recommended that railroads consider "other means to economize rather than drastic curtailment of present services." And it won full league approval of five suggestions for still further improvement of LCL operations:

- Rate structure should be revised by eliminating detailed classification requirements and differences in rates not justified by differences in cost. In the committee's opinion, the time required for rating, classifying, billing, recording and collecting charges under the complex system now in effect places a heavy burden on small low-value shipments.
- With elimination of detailed classification requirements, shippers should increase size of their shipments through consolidation of packages.
- Carriers should further revise their rate structure to encourage such consolidation by incentive rates.
- More effort should be directed toward use of overhead cars, to reduce transportation costs through fewer transfers en route and cut loss and damage claims through fewer handlings.
- Most important, overall service must be further improved.

The league expressed "great concern" over the future of the Railway Express Agency; was divided on continued expansion of Plans III and IV piggyback rates "at extremely low levels."

A. G. Milligan, of New York, traffic manager of Sperry & Hutchinson Co., was elected president of the league. Other officers are: Eastern vice president—H. E. Chapman, traffic manager, S. S. Kresge Co., Detroit; Western vice-president—G.O. Wilson, general traffic manager, Gamble-Skogmo, Inc., Minneapolis; Southwestern vice president—R.A. Berry, traffic manager, Morgan-Lindsay, Inc., Jasper, Tex.; secretary-treasurer O. C. Lindecamp, traffic manager, G. C. Murphy Co., McKeesport, Pa.; and chairman, executive committee—G. L. Moran, general traffic manager, Western Auto Supply Co., Kansas City, Mo.

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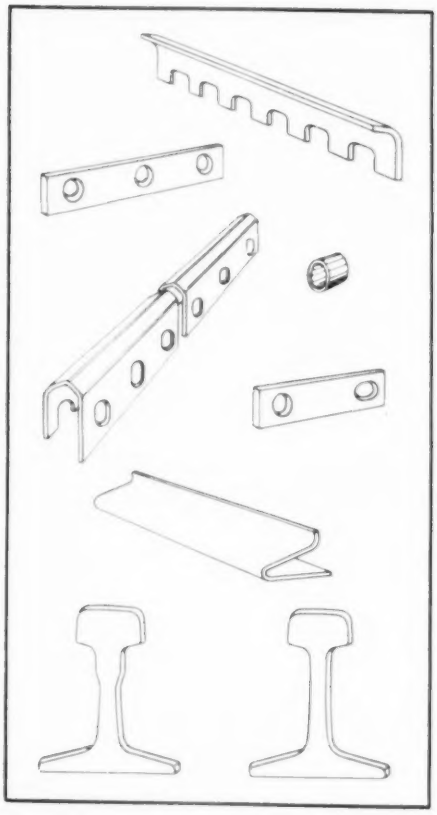

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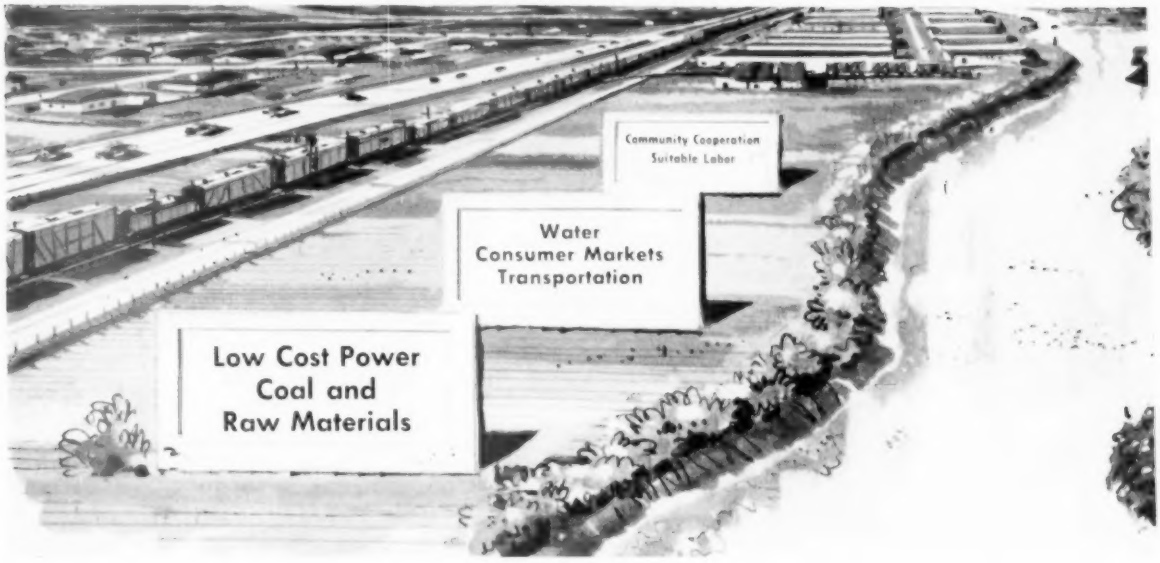

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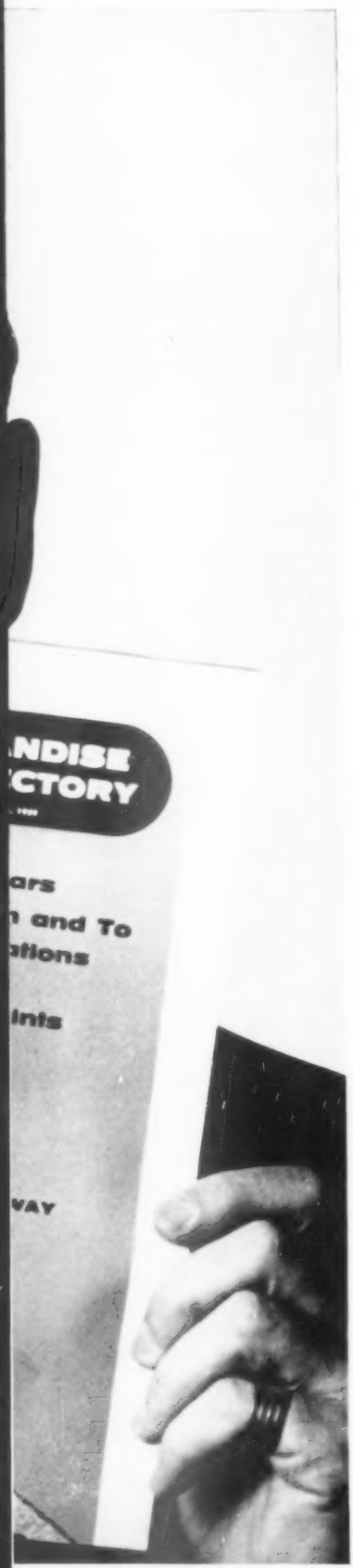

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SOUTHERN RAILWAY SYSTEM

THE SOUTHERN SR SERVES THE SOUTH

Symes Blasts 'Rigid Thinking'

► **The Story at a Glance: Pennsylvania President James M. Symes has made a strong plea for greater unity among railroads on matters affecting the health of the industry as a whole.**

His major complaint: "How in the world can we expect government to give us anywhere near equal treatment with our competitors, when some of our own colleagues insist on raising their voices against even the mildest moves in that direction?"

"Rigid thinking"—within the industry as well as without—is costing the railroads "hundreds of millions of dollars a year," PRR President Symes declared last week.

Addressing the annual convention of the AAR's Safety Section in Philadelphia, the PRR president was especially critical of:

● "The insistence by some railroads that it would be 'subsidy' for communities to help bear the cost of commuter services they want certain railroads to render."

● "The lingering opposition within the industry to temporary and self-liquidating government financing to help railroads that can't afford the freight car fleets that the growing economy and the national defense require—again in the mistaken notion that this would be subsidy."

Attitudes like these, said Mr. Symes, reflect "the rigidity of thinking that keeps the industry as a whole from growing and prospering with the economy it serves."

He said that "certain problems that seem to be largely 'eastern' deeply affect the whole industry's future.

"I earnestly believe," he declared, "that our industry as a whole cannot prosper and grow as it should while these problems keep the eastern segment from prospering and growing. Much southern and western business that originates or terminates here in the East would not move at all if it couldn't originate or terminate in the East.

"The day the railroad industry stops being coast-to-coast and border-to-border it will start disappearing everywhere. Sometimes I wonder if some of my colleagues in other parts of the country really understand that. If they did they would not be so quick to cry 'Subsidy!' when some of us point out that the only way we can keep suburban services going much longer is with public help."

As other examples of "rigid thinking," Mr. Symes cited railroad labor's apparent unwillingness to cope with the featherbedding problem, and "the government's insistence . . . that we obey patterns of rate-making and of competing that were laid down for us when we had a monopoly."

"All of these pieces of unrealistic stubbornness add up," said the PRR president. "They may be hallowed by tradition—but they cost us many hundreds of millions of dollars a year that should be going into improving our plants and building up our earning power . . . We are a business, not a monument—and businesses live and grow by meeting the business realities of the changing times."

Mr. Symes said he was optimistic that "individual railroad managements, leaders of the brotherhoods, government officials, and the public" will eventually become more flexible.

In this respect, he said, the railroads may have accomplished more "in the last couple of years than we did in the previous twenty."

"But we have got to move a lot further and a lot more uniformly and a lot faster," he said. "If we do, our future will be whatever the future of the country is—and that ought to be mighty good. If we don't, I imagine we'll all wind up under government ownership."

The Safety Section convention was attended by 99 representatives from 44 railroads.

Mr. Symes congratulated the safety officers on "the job you are doing for this precarious industry."

"In the past 45 years," he said, "you have reduced deaths and injuries on the average by 80%—and you are constantly improving that record."

He denied that "squeezing the featherbeds out of work rules" would make railroads "less safe for our customers, our employes, or the public." He advised the safety men not to be discouraged by "the technique that some labor leaders are using—it consists largely of scaring people with juggled facts, distorted statistics and irrelevant data. . . ."

A report by the Committee on Prevention of Highway Crossing Accidents cited preliminary statistics showing that there were 13.17% fewer such accidents in 1958 than in 1957, and 13.74% fewer casualties.

READING'S Safety Training Center at Reading, Pa., now seven years old, was described at the AAR Safety Section convention by the road's president, Joseph A. Fisher. Picture shows a class at the center using a mock-up of a box car to learn the safe method of climbing side and end ladders. The center is used to train personnel as well as to weed out "unsafe" candidates for railroad employment.

Too Hot to Handle?

Railroad safety officers were accused last week of shying away from the problems posed by the transportation of nuclear materials.

"Conceivably accidents could be catastrophic," Safety Engineer Francis L. Brannigan of the U.S. Atomic Energy Commission told the AAR's Safety Section. But, he said, "you have let the situation go by default. You have shied away from the problem."

Mr. Brannigan said the AEC, in cooperation with the railroads and others, has set aside a week late in September to develop a pilot training course in the handling of nuclear materials for the transportation field.

Meanwhile, he referred the safety men to an AEC book, written by himself, entitled "Living With Radiation." He said that this publication, obtainable from the Government Printing Office, contains a basic layman's approach to the subject.

His concluding point: "We at the AEC are providing the means of education, [but] you have to provide the receptivity."

[A special Railway Age report on the transportation of nuclear materials will be published in an early issue.—Ed.]

They're Talking About you!

N&W President Stuart T. Saunders announces the ordering of 1,000 new freight cars, in addition to 1,500 now being built.

Traffic Vice President Robert N. Woodall stresses Better Service as the key to traffic sales.

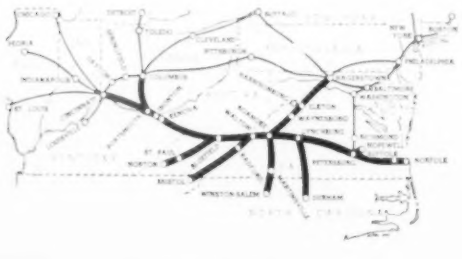
One of the many committee meetings held during the Conference to discuss and plan improved service.

Not long ago more than 500 Norfolk and Western employees, ranging from the president and vice presidents to brakemen, sectionmen and rate clerks, got together at N&W headquarters in Roanoke, Va., for two days of intensive discussion and planning on how to produce better railroad service for their customers. They were talking about you.

It was the N&W's Thirty-Fourth Annual Better Service Conference — the culmination of quarterly gatherings of 19 local Better Service Clubs, located at strategic points along the line, and regional Better Service Club meetings. These 500-odd railroaders came from towns all over the railway and from numerous off-line offices scattered throughout the United States. They represented every branch of the road's service.

These railroaders really got down to brass tacks. They heard and made forthright talks, held committee meetings, made reports. They discussed all phases of N&W operation, including careful car handling, safety, sales and service, as well as good citizenship, competition, teamwork and other subjects. Every delegate had an opportunity to talk about his end of the business, to ask questions, to seek advice and to present plans.

The results were good many practical suggestions for bettering the railroad were passed along . . . there was a clearer understanding of individual responsibilities . . . new vigor and aggressiveness were in the air . . . a stronger determination to operate a more efficient, more useful railroad. And the sole objective was, and is, to provide you, our customers, with continuously Better Service . . . Precision Transportation.



Norfolk and Western RAILWAY

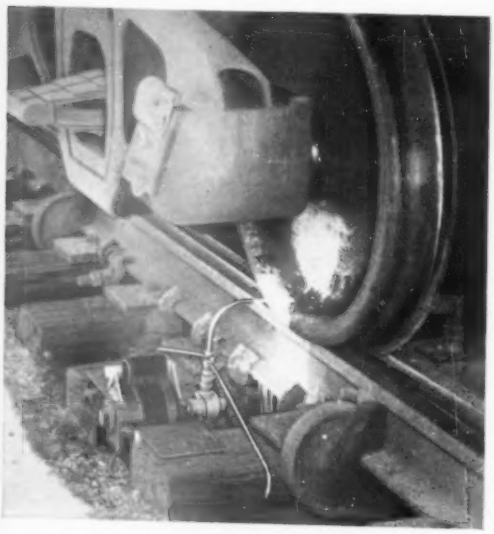
PRECISION TRANSPORTATION

DIVIDE AND CONQUER freight-damage problems when you ship in NP Compartmentizer Cars. Adjustable steel gates divide interiors into variable sized compartments to fit the lading and hold it securely in place. Fifty of these cars were recently added to NP equipment—bringing the total of all NP damage-prevention, loader-equipped cars to 429.

NORTHERN PACIFIC—really terrific!

LITTLE SQUIRT does a big job!

This automatic paint pump plays an important role in NP's push-button freight classification yard at Pasco, Washington. Part of a complex track installation which detects broken flanges, the pump sprays yellow paint on wheels which need repairs, helps prevent derailments and costly interruptions in service.



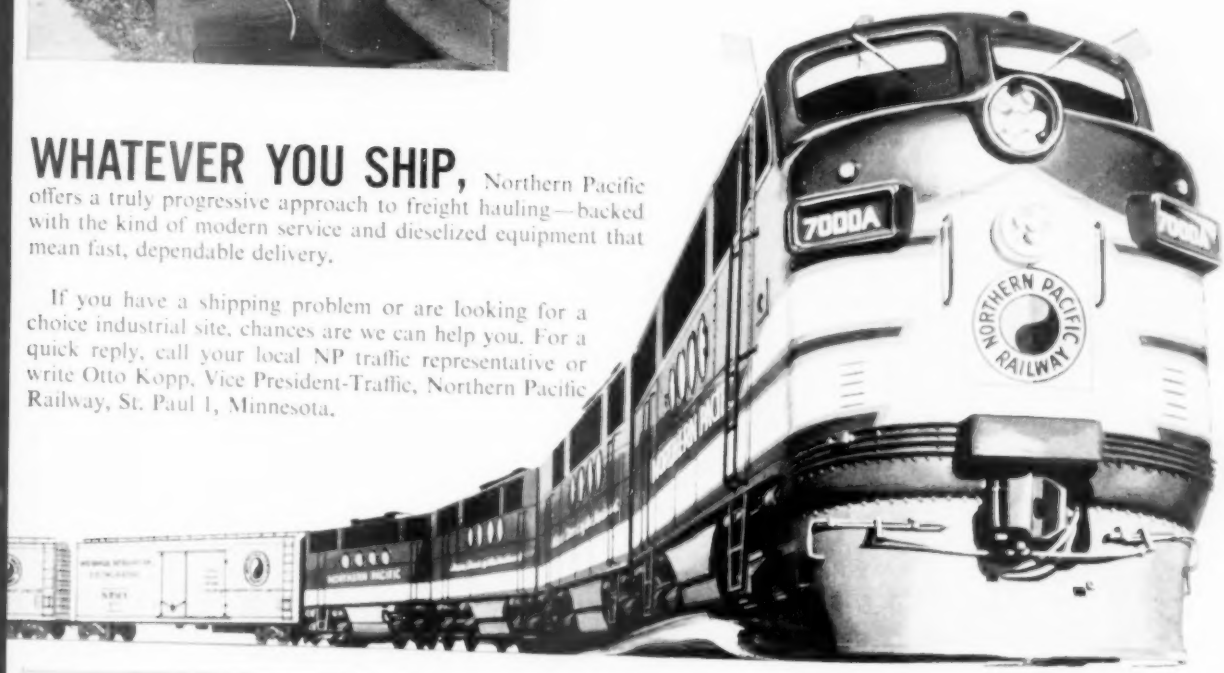
24 HOURS FASTER

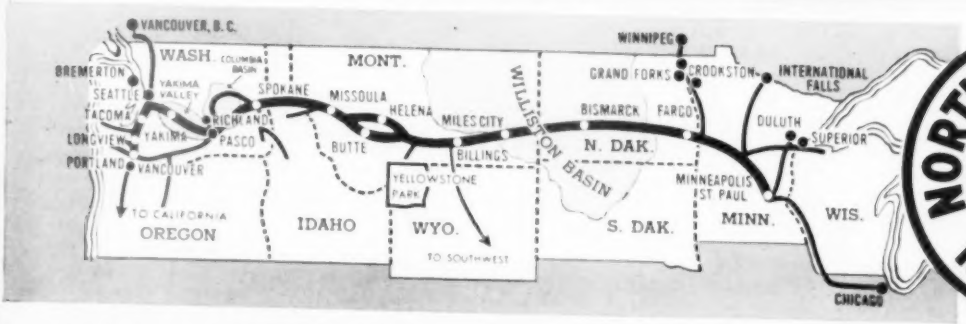
than ever before—that's the news of Northern Pacific freight service from the Pacific Northwest to the Twin Cities, Chicago and the east. Modern electronic installations help make speed like this possible—with increased freight safety, too. Things are really *moving* on the "Main Street of the Northwest!"

WHATEVER YOU SHIP,

Northern Pacific offers a truly progressive approach to freight hauling—backed with the kind of modern service and dieselized equipment that mean fast, dependable delivery.

If you have a shipping problem or are looking for a choice industrial site, chances are we can help you. For a quick reply, call your local NP traffic representative or write Otto Kopp, Vice President-Traffic, Northern Pacific Railway, St. Paul 1, Minnesota.





NORTHERN PACIFIC RAILWAY

Commuter Aid Bills Introduced

The Illinois legislature has received a comprehensive program aimed at improving the climate for mass transportation operations. Two bills have been introduced. One would enable transportation companies to adjust rates or services on five days' notice. The other would set up revised standards for assessment of railroad property and ease the burden of taxation on facilities used in commuter service.

The two bills include the major features of recommendations made last winter by five Chicago commuter lines. They also reflect the findings of the Illinois Mass Transportation Commission, which recently completed a lengthy study of the commuter problem (RA, Nov. 24, 1958, p. 73; May 11, p. 56.)

House Bill 1369 would amend the state Public Utilities Act to provide that "any rate, charge, classification or rule relating to mass transportation, or any regulation, practice or contract relating to or affecting any rate or other charge, classification, or service, or any privilege or facility relating to mass transportation, may be changed on five days' notice, and the [Illinois Commerce] Commission shall have no power to suspend the same."

The bill also permits abandonment or discontinuance of mass transportation service without prior commission approval.

The commission would retain the power to investigate and issue orders regarding changes made by transportation companies. But railroad officers believe the bill would:

- Permit greater managerial freedom in pricing and service matters.
- Eliminate the usual months-long delay involved in changing fares or services under present law.
- End the pre-judging of pricing or service adjustments. Changes would be in effect before commission investigation. The carriers could defend fact, rather than conjecture, in justifying their actions.

The second bill provides, in part, that "the value of any property used in railroad operation shall be determined only on a basis which will reflect the earning power of the property, past, present and prospective, and all other relevant facts. No consideration shall be given to the cost of reproduction."

Present law provides that railroad property shall be taxed in individual taxing districts in the proportion that the length of track owned or used in each district bears to the whole length of all the track owned or used in the state. The new bill (House Bill 1370) provides that in the track mile calculation "no miles of track shall be included which constitute commuter property." Where the same track is used for commuter and line-haul service, a separation of functions would be made on a basis of train miles in commuter service vs total train miles over the joint track.

The bill also sets up a commuter tax equalization grant-in-aid to be paid to cities served by railroads which do not come under the usual assessment procedures. The grant would equal the tax paid by the railroad because of its commuter operation; would be used by the city for the benefit of the carrier's commuter service.

'Moderate' RR Gains Predicted

Railroads may have an increase in gross sales of from 5% to 10%, but profit margins will be "only moderately greater than in 1958." This prediction came last week from F. B. Whitman, Western Pacific president. Mr. Whitman joined presidents of six other companies in an industry-by-industry forecast for the second half made at a National Industrial Conference Board meeting in New York.

Noting that railroad gross sales are largely tied to general conditions in heavy industry, the WP president pointed out that heavy industry has not recovered as fast as hoped. He based his estimate of a 5% to 10% increase in gross on the assumption that conditions in heavy industry would continue to improve.

Piggyback, Mr. Whitman said, will continue to make a major contribution to gross sales. With 1958 volume already 50% greater than last year, he predicted even more "sizable increases in volume" as the year progresses.

The possibility of a steel strike is already affecting gross rail revenues, he said, because industries are accumulating larger than normal inventories now. Even if there is no strike, he pointed out, steel volume in the last half may well be lower than normal.

As to prices, Mr. Whitman told the N.I.C.B. that railroads "will be running counter to the general trend . . . Selected rate reductions, if approved, will probably result in an overall slight decline in average prices for the year." Capital expenditures, he said, "will continue at a depressed level for 1959" because of the shortage of working capital most roads face.

The rail employment trend, as Mr. Whitman sees it, is downward, and will not be affected by an increased volume of business. "The railroads are not in the mood to grant [wage] increases," he remarked, "and on the contrary are determined to push counter-demands seeking to end the widespread and absurd featherbedding now practiced under obsolete working agreements."

Specifically, Mr. Whitman referred to locomotive firemen. The railroads will push strongly to eliminate use of firemen except in high-speed passenger service, he said.

RRs Asked to Approve Railway Express Reforms

The Railway Express Agency has asked its contract roads to approve "an amended and substantially improved Standard Express Operations Agreement." Object: to keep the agency in business under railroad ownership, as heretofore.

If carrier approval is not forthcoming by June 1, REA directors will reconsider alternative plans for the agency's future. These include offers from Lehman Brothers, New York investment bankers, and U. S. Freight Co., freight forwarders, to take over the business.

The new REA plan reportedly would provide greater freedom for railroads in routing express shipments; some reapportionment of the cost of handling express shipments; greater use of highway carriers; and increased use of piggyback and freight trains for express shipments.

Index to Volume 145

The index to the latest volume of Railway Age, July through December 1958, is ready for distribution, and copies may be had by those subscribers desiring them. Requests should be addressed to the Circulation Department, Railway Age, Emmett Street, Bristol, Conn. Subscribers who have in previous years made application for the index need not apply again. They will continue to receive it as long as they continue to subscribe.

One of a series of advertisements featuring those in our organization whose pleasant duty it is to present our service to shippers.

MEET THE FOLKS

who sell our service

OUR BEAUMONT-PORT ARTHUR-ORANGE, TEXAS, territory would make Aladdin blink! In this area - really one great port - are five major oil refineries, nine big chemical plants, five shipbuilding companies, large sulphur and calcined coke plants, and hundreds of smaller industries.

As part of its port facilities, the Kansas City Southern has at Port Arthur a 1,600,000-bushel grain elevator, operated by Cargill, Inc.

Port Arthur was founded by and named for Arthur Stilwell, builder of the Kansas City Southern, in 1895. Phenomenal growth in the area began in 1901, when the famous Spindletop oil field was discovered. With the intense utilization of petroleum derivatives, huge petrochemical plants were built beside the great refineries.

Important to the area also are agriculture and forest products. Rice is a major crop, and the raising of beef cattle is increasing. Recreational advantages include deep-sea fishing, surfbathing and the hunting of wildfowl.

We of Kansas City Southern Lines are proud to have had a part in developing this teeming area, and all of us join Henry Brannan in an expression of appreciation for the support given us through the years.

J. W. SCOTT
Vice President - Traffic
Kansas City, Mo.

H. W. DENBO, Jr.
Assistant to President
Beaumont, Texas

HENRY P. BRANNAN, Jr., entered the accounting department of the L&A at Texarkana, Ark.-Tex., in 1928. Transferred to Shreveport, La., 1929, where he worked in several positions, including freight claim investigator. Chief clerk, traffic, Shreveport, 1949; city freight agent, 1952; commercial agent, 1954; general agent, Beaumont, 1957. Member Rotary, Sabine District Transportation club, Delta Nu Alpha Transportation Fraternity.

WAYMON R. McMILLON worked as call boy and yard clerk for KCS at Leesville, La., beginning Apr. 1, 1943. After more than two years Army service, returned as warehouse foreman, Lake Charles, La., and held clerical jobs in local office, Port Arthur, before becoming chief clerk to general agent, Beaumont, Oct. 1, 1957. Bronze Stars for action in France and Germany.

MRS. GRACE WHITFIELD came to our Beaumont agency July 1, 1924, after brief employment in our Kansas City office. Her grandchildren, home, church and clubs occupy off-duty hours.

KANSAS CITY SOUTHERN Lines

OUR BEAUMONT OFFICE
Gilbert and Jefferson Sts.

Freight Operating Statistics of Large Railroads—Selected Items

Region, Road and Year		Miles of road operated	Locomotive Miles: Train miles	Locomotive Miles: Principal and helper	Locomotive Miles: Light	Car Miles: Loaded (thousands)	Car Miles: Per cent loaded	Ton-miles (thousands): Gross excl.locos. & tenders	Ton-miles (thousands): Net rev. and non-rev	Road-locos. on lines: Serviceable: Unstored	Road-locos. on lines: Serviceable: Stored	Road-locos. on lines: B.O.	Road-locos. on lines: Per cent B.O.
New Eng. Region	Boston & Maine	1959	1,559	199,512	200,285	4,330	7,478	60.6	535,975	211,894	64	7	29	29.0
		1958	1,559	201,210	202,022	4,273	7,384	61.9	511,534	197,518	67	1	5	6.8
	N. Y., N. H. & Hfd.	1959	1,739	222,318	222,332	13,321	8,747	64.1	576,665	231,728	71	..	17	19.3
		1958	1,739	196,907	196,907	12,748	8,320	62.9	550,700	214,162	68	..	17	20.0
Great Lakes Region	Delaware & Hudson	1959	764	147,239	149,845	3,045	7,434	63.4	539,332	270,117	35	..	4	10.3
		1958g	764	138,991	142,530	3,843	6,825	63.0	493,862	243,254	33	..	4	10.8
	Del., Lack. & Western	1959	918	226,053	230,289	13,214	8,996	64.5	618,609	257,337	57	..	6	9.5
		1958	927	210,403	222,740	18,493	9,290	65.1	620,779	257,886	55	..	7	11.3
	Erie	1959	2,201	470,737	472,610	14,854	25,342	68.7	1,591,370	644,459	173	..	2	1.1
		1958	2,207	472,761	473,534	18,861	25,208	66.9	1,586,934	615,225	165	5	3	1.7
	Grand Trunk Western	1959	951	203,036	207,104	2,895	6,814	59.4	505,142	201,828	46	13	25	29.8
		1958	951	194,699	199,855	1,638	6,437	60.2	459,666	178,740	45	12	17	23.6
	Lehigh Valley	1959	1,116	177,357	180,062	4,579	7,742	65.3	527,696	237,788	28	..	6	17.6
		1958	1,117	173,854	176,799	8,246	7,415	65.6	506,516	230,013	32	..	2	5.9
	New York Central	1959	10,395	1,935,689	1,946,315	78,032	78,038	58.0	5,896,716	2,646,989	434	..	47	9.8
		1958	10,470	1,773,371	1,783,012	81,622	68,079	57.4	5,080,994	2,200,334	460	29	35	6.7
	New York, Chic. & St. L.	1959	2,155	538,311	558,311	4,515	24,167	62.1	1,761,578	764,429	102	31	5	3.6
		1958	2,155	533,852	547,273	3,725	22,738	61.4	1,625,859	682,975	142	5	7	4.5
	Pitts. & Lake Erie	1959	221	54,090	54,090	.....	1,987	63.0	181,509	112,019	14	..	2	12.5
		1958	221	47,833	47,833	.....	1,595	57.9	145,739	84,979	13	..	1	7.1
	Wabash	1959	2,379	461,392	464,655	4,022	19,283	61.3	1,350,118	528,920	111	..	3	2.6
		1958	2,379	423,793	424,258	3,033	18,540	61.2	1,289,045	498,063	115	..	2	1.7
Central Eastern Region	Baltimore & Ohio	1959	5,802	1,144,381	1,224,476	87,238	48,564	58.9	3,921,359	1,853,619	385	78	34	6.8
		1958	5,830	1,156,578	1,240,303	73,902	43,328	58.1	3,671,689	1,676,966	399	111	36	6.6
	Bessemer & Lake Erie	1959	203	35,099	35,404	65	1,113	62.1	112,557	66,965	10	3	..	..
		1958	208	26,601	26,762	2	578	56.7	56,052	29,940	9	5	1	6.7
	Central RR Co. of New Jersey	1959	597	97,029	98,192	5,105	3,342	63.5	253,912	126,735	61	..	2	3.2
		1958	612	99,385	100,625	5,022	3,696	62.7	289,868	151,295	63	..	4	6.0
	Chicago & Eastern Ill.	1959	863	107,117	107,117	2,240	4,784	63.7	368,949	185,683	26	..	2	7.1
		1958	863	124,681	124,681	2,639	4,373	62.3	333,525	162,216	24	..	5	17.2
	Elgin, Joliet & Eastern	1959	205	66,249	66,577	.....	2,216	60.4	187,205	100,634	44	..	..	..
		1958	236	63,524	64,134	.....	1,797	59.8	150,455	80,006	36	3	4	9.3
	Pennsylvania System	1959	9,865	2,354,575	2,480,223	152,145	97,445	62.2	7,248,148	3,284,817	681	9	106	13.3
		1958	9,900	2,266,563	2,385,845	150,885	89,555	60.9	6,621,114	2,910,670	687	77	205	21.2
	Reading	1959	1,302	267,120	268,377	8,803	9,938	57.3	859,309	441,213	144	4	32	17.8
		1958	1,303	284,063	285,715	7,943	10,099	57.3	880,304	477,156	156	14	15	8.1
	Western Maryland	1959	844	134,602	140,038	8,015	5,508	60.7	490,143	277,087	42	2	1	2.2
		1958	845	128,816	133,447	7,049	4,853	58.3	427,611	236,132	49	4	..	..
Pocahontas Region	Chesapeake & Ohio	1959	5,061	1,058,719	1,061,103	18,729	48,113	55.2	4,140,715	2,319,929	589	..	32	5.2
		1958	5,067	1,077,577	1,081,466	19,544	45,924	54.8	4,124,645	2,241,258	598	21	10	1.6
	Norfolk & Western	1959	2,116	561,514	587,092	34,721	28,826	56.2	2,777,139	1,500,814	179	12	5	2.6
		1958	2,109	539,919	580,043	43,893	24,748	54.4	2,411,259	1,292,787	198	70	6	2.2
	Rich., Fred. & Potomac	1959	110	35,214	35,214	760	2,276	60.8	158,424	62,583	15	..	..	..
		1958	110	34,526	34,526	680	2,056	58.3	145,455	55,721	14	..	1	6.7
	Virginian	1959	608	127,019	129,149	3,212	6,508	52.9	635,162	353,920	51	13	14	17.9
		1958	608	133,070	134,990	3,177	6,586	51.6	654,101	365,698	54	11	12	15.6
Southern Region	Atlantic Coast Line	1959	5,297	600,898	600,998	5,858	22,337	56.4	1,745,114	770,698	124	..	..	..
		1958	5,282	601,173	601,173	6,419	20,760	54.5	1,633,478	695,807	113	18	2	1.5
	Central of Georgia	1959	1,714	174,127	174,127	1,482	6,876	64.1	523,674	254,925	33	..	2	5.7
		1958	1,730	173,094	173,094	1,739	6,666	62.8	490,266	231,369	35	..	1	2.8
	Florida East Coast	1959	572	117,570	117,570	.....	3,804	51.7	306,749	106,178	53	..	..	..
		1958	571	109,732	109,732	349	3,477	54.3	273,323	100,902	51	..	2	3.8
	Gulf, Mobile & Ohio	1959	2,717	240,513	240,513	88	13,278	65.0	951,608	449,109	83	..	8	8.8
		1958	2,717	241,225	241,225	114	13,072	64.2	932,535	433,195	85	..	6	6.6
	Illinois Central	1959	6,439	938,466	938,466	25,678	41,882	60.7	3,123,158	1,439,060	195	30	152	40.3
		1958	6,497	941,718	941,718	26,543	39,639	59.0	2,968,047	1,330,330	225	71	79	21.1
	Louisville & Nashville	1959	5,680	838,940	840,586	14,617	32,990	58.5	2,646,534	1,299,984	164	..	3	1.8
		1958	5,680	920,750	921,994	18,169	31,916	56.0	2,555,168	1,221,222	155	..	5	3.1
	Seaboard Air Line	1959	4,135	563,178	563,178	1,874	23,156	60.3	1,826,817	841,871	130	..	4	3.0
		1958	4,049	559,188	559,188	1,666	21,089	56.2	1,670,508	735,271	144	..	5	3.4
	Southern	1959	6,243	775,396	775,540	8,463	36,830	63.9	2,560,695	1,188,831	194	1	2	1.0
		1958	6,249	756,144	756,381	7,729	33,657	61.3	2,361,066	1,053,508	189	1	21	10.0
Northwestern Region	Chicago & North Western	1959	9,251	757,300	757,378	8,850	28,083	62.9	2,022,818	870,573	145	..	20	12.1
		1958	9,296	753,831	753,831	8,168	26,344	60.1	1,965,596	895,696	164	5	10	5.6
	Chicago Great Western	1959	1,437	126,305	126,305	174	6,745	67.1	475,846	224,717	25	..	1	3.8
		1958	1,437	121,585	121,585	175	5,899	65.6	411,884	186,902	29	..	1	3.3
	Chic., Milw., St. P. & Pac.	1959	10,583	797,247	808,077	12,848	34,998	61.4	2,496,406	1,092,567	281	8	11	3.7
		1958	10,583	783,402	794,376	13,469	33,420	61.5	2,383,361	1,046,125	288	9	9	2.9
	Duluth, Missabe & Iron Range	1959	557	23,186	23,214	315	383	46.0	31,838	13,211	23	24	14	23.0
		1958	565	23,719	23,730	161	416	52.7	30,781	13,513	33	50	25	23.1
	Great Northern	1959	8,281	866,798	868,416	20,788	33,212	67.3	2,308,966	1,049,773	266	14	16	5.4
		1958	8,262	807,264	810,203	19,393	33,299	67.8	2,264,003	1,016,888	248	30	1	.4
	Minneap., St. P. & S. St. Marie	1959	4,169	327,947	328,645	896	11,240	67.4	762,737	349,112	85	8	3	3.1
		1958	4,169	362,476	362,831	783	11,625	64.8	771,154	356,925	86	8	2	2.1
	Northern Pacific	1959	6,533	688,996	694,916	9,482	28,898	70.3	1,886,899	858,982	229	9	6	2.5
		1958	6,533	642,068	649,750	10,385	26,853	65.3	1,836,780	810,309	203	13	4	1.6
	Spokane, Portland & Seattle	1959	935	125,225	125,225	1,124	5,232	75.3	340,476	162,919	53	..	1	1.9
		1958	944	120,787	120,787	1,108	5,094	72.2	341,411	161,979	54	..	1	1.8
Central Western Region	Atch., Top. & S. Fe (incl. G. C. & S. F. and P. & S. F.)	1959	13,104	2,229,464	2,428,521	52,527	96,953	63.2	6,995,978	2,751,642	574	7	106	15.4
		1958	13,150	1,858,409	1,974,355	36,714	87,024	61.4	6,198,651	2,301,111	516	72	98	14.3
	Chic., Burl. & Quincy	1959	8,653	1,018,662	1,016,542	32,693	42,024	64.5	2,916,789	1,280,344	134	10	72	33.3
		1958	8,724	896,539	894,113	24,558	39,881	63.3	2,754,694	1,183,092	133	38	57	25.0
	Chic., Rock I. & Pac.	1959	7,548	948,563	948,452	1,348	37,875	61.6	2,777,541	1,145,542	175	..	11	5.9
		1958	7,614	848,558	849,837	1,942	34,573	59.5	2,513,022	1,004,132	176	..	10	5.4
	Denver & R. G. Wn.	1959	2,128	261,274	276,345	22,862	12,384	73.7	858,487	422,291	81	8	7	7.3
		1958	2,155	220,283	234,002	19,518	11,213	70.7	766,627	362,854	92	14	5	5.3
	Southern Pacific	1959	8,014	1,882,097	1,947,184	116,740	87,075	64.6	5,960,771	2,517,729	634	6	39	5.7
		1958	8,035	1,619,515	1,695,514	86,102	77,176	61.0	5,374,110	2,134,256	625	121	46	5.8
	Union Pacific	1959	9,759	1,920,261	1,944,618	55,677	89,603	65.5	6,098,617	2,618,474	331	24	116	24.6
		1958	9,753	1,698,548	1,734,998	60,240	80,977	61.9	5,654,644	2,287,452	309	150	69	13.1
	Western Pacific	1959	1,189	217,797	222,558	25,142	8,882	69.0	595,906	268,569	43	2	1	2.2
		1958	1,189	191,944	206,202	7,323	8,532	67.9	577,670	258,599	43	3	..	..
Southwestern Region	Kansas City Southern	1959	886	129,506	129,646	563	7,931	66.4	593,435	279,371	25	..	1	3.8
		1958	886	131,835	131,965	29	7,632	63.8	580,944	266,344	27	..	1	3.6
	Louisiana & Arkansas	1959	746	63,752	63,752	22	3,278	65.7	257,426	125,475	13	..	..	..
		1958	746	76,931	76,931	5	3,693	61.4	298,055	138,900	16	..	..	..
	Mo.-Kans.-Texas Lines	1959	2,914	197,368	197,368	1,793	10,929	62.0	727,394	314,593	62	..	3	4.6
		1958	3,059	220,196	220,196	2,108	10,937	62.8	758,214	340,382	76	..	3	3.8
	Missouri Pacific	1959	9,513	1,050,886	1,050,886	7,732	48,045	62.6	3,576,151	1,604,598	220	6	20	8.1
		1958	9,585	1,059,645	1,059,645	8,047	48,323	61.1	3,526,933	1,519,567	219	14	9	3.7
	St. Louis-San Francisco	1959	4,536	517,998	517,998	5,033	21,128	67.4	1,430,680	663,183	98	..	7	6.7
		1958	4,558	516,060	516,060	4,790	20,444	64.6	1,402,946	628,850	100	..	11	9.9
	St. Louis Southw. Lines	1959	1,554	313,415	313,415	3,973	14,918	70.0	939,163	419,819	54	..	1	1.8
		1958	1,554	291,896	291,902	1,435	13,889	63.0	924,625	413,321	52	..	2	3.7
	Texas & New Orleans	1959	4,154	584,731	584,731	455	25,642	63.8	1,818,339	805,900	139	..	1	.7
		1958	4,271	551,304	551,304	486	24,491	57.2	1,820,369	744,181	137	..	3	2.1
	Texas & Pacific	1959	1,822	277,795	277,795	2,557	12,872	59.7	980,383	365,131	37	..	1	2.6
		1958	1,822	277,423	277,423	2,510	14,151	58.2	1,070,185	477,732	41	..	2	4.7

For the Month of February 1959 Compared with February 1958

Region, Road and Year	Freight cars on line: Home	Foreign	Total	Per Cent B.O.	G.t.m. per train-hr. excl locos and tenders	G.t.m. per train-mi. excl locos and tenders	Net ton-mi. per train-mile	Net ton-mi. per l'd car-mile	Net ton-mi. per car-day	Cars-miles per car-day	Net daily ton-mi. per road-mo.	Train-miles per train-hour	Miles per loco. per day
New Eng. Region													
Boston & Maine	1959	2,346	8,238	10,584	3.8	41,191	2,693	1,065	28.3	768	44.7	4,854	15.3	81.4
	1958	3,023	8,652	11,675	2.3	38,522	2,555	987	26.7	628	37.9	4,525	15.2	108.4
N. Y., N. H. & Htfd	1959	3,143	12,596	15,739	5.3	42,583	2,594	1,042	26.5	550	32.4	4,759	16.4	115.0
	1958	3,854	13,152	17,006	2.6	42,450	2,797	1,088	25.7	479	29.6	4,398	15.2	105.2
Great Lakes Region														
Delaware & Hudson	1959	4,619	5,731	10,350	10.5	62,896	3,687	1,847	36.3	904	39.2	12,627	17.2	153.7
	1958	5,929	5,576	11,505	4.2	59,408	3,573	1,760	35.6	759	33.8	11,371	16.7	152.9
Del., Lack. & Western	1959	6,428	8,217	14,645	8.7	51,836	2,772	1,154	28.6	625	33.9	10,019	18.9	150.5
	1958	7,027	11,071	18,098	6.2	48,408	3,006	1,249	27.8	524	29.0	9,936	16.4	152.4
Erie	1959	11,687	14,763	26,450	8.3	69,130	3,418	1,384	25.4	893	51.1	10,457	20.4	111.7
	1958	12,376	15,784	28,160	4.4	68,290	3,385	1,312	24.4	790	48.4	9,956	20.3	114.7
Grand Trunk Western	1959	4,994	8,217	13,211	5.7	50,103	2,509	1,002	29.6	552	31.4	7,580	20.1	92.7
	1958	5,878	6,304	12,182	6.1	52,684	2,381	926	27.8	510	30.5	6,712	22.3	102.9
Lehigh Valley	1959	7,221	7,826	15,047	10.6	61,346	3,005	1,354	30.7	570	28.4	7,610	20.6	214.9
	1958	6,544	8,059	14,603	8.2	58,959	2,941	1,335	31.0	566	27.8	7,354	20.2	211.0
New York Central	1959	68,084	78,108	146,192	9.0	52,096	3,080	1,383	33.9	678	34.5	9,091	17.1	166.3
	1958	82,016	71,461	153,477	4.6	49,213	2,896	1,254	32.3	592	28.1	7,506	17.2	145.4
New York, Chic. & St. L.	1959	10,003	14,235	24,238	15.0	56,732	3,190	1,384	31.6	1,117	56.8	12,669	18.0	163.7
	1958	13,748	8,741	22,489	10.2	55,768	3,089	1,298	30.0	1,054	57.1	11,319	18.3	138.3
Pitts. & Lake Erie	1959	8,326	4,648	12,974	8.6	55,086	3,358	2,072	56.4	301	8.5	18,103	16.4	128.5
	1958	8,667	3,346	12,013	7.2	50,099	3,069	1,789	53.3	252	8.2	14,733	16.4	107.9
Wabash	1959	10,818	7,831	18,649	8.1	72,763	2,938	1,151	27.4	1,009	60.0	7,940	24.9	155.4
	1958	10,254	10,042	20,296	6.7	66,856	3,052	1,179	26.9	878	53.4	7,477	22.0	138.2
Central Eastern Region														
Baltimore & Ohio	1959	61,960	36,635	98,595	17.7	54,548	3,466	1,638	38.2	659	29.3	11,410	15.9	98.5
	1958	62,541	37,344	99,885	11.4	50,326	3,220	1,471	38.7	597	26.5	10,273	15.9	91.9
Bessemer & Lake Erie	1959	4,693	923	5,616	13.0	53,168	3,388	2,016	60.2	440	14.8	14,781	16.6	143.4
	1958	9,263	350	9,613	7.4	38,157	2,332	1,245	51.8	110	3.7	5,141	18.1	73.6
Central RR Co. of New Jersey	1959	3,995	8,991	12,986	16.0	39,955	2,746	1,371	37.9	372	15.7	7,582	15.3	79.0
	1958	3,969	8,150	12,119	12.6	41,457	3,070	1,602	40.9	436	17.0	8,829	14.2	79.8
Chicago & Eastern Ill.	1959	2,964	2,768	5,732	13.4	61,461	3,472	1,747	38.8	1,156	49.3	7,684	17.8	145.0
	1958	3,346	2,837	6,183	13.3	55,329	2,691	1,309	37.1	935	40.4	6,713	20.7	160.8
Elgin, Joliet & Eastern	1959	8,341	8,698	17,039	5.5	19,136	2,933	1,567	45.4	216	7.9	17,532	6.8	78.2
	1958	8,277	5,693	13,970	6.6	24,630	2,497	1,328	44.5	207	7.8	12,107	9.1	71.6
Pennsylvania System	1959	134,922	68,022	202,944	22.1	53,956	3,158	1,431	33.7	579	27.6	11,892	17.5	129.5
	1958	131,172	62,061	193,233	11.6	51,769	2,991	1,315	32.5	539	27.2	10,500	17.7	100.7
Reading	1959	19,762	15,454	35,216	24.1	50,503	3,217	1,652	44.4	444	17.5	12,103	15.2	65.6
	1958	18,660	16,850	35,510	9.1	48,416	3,099	1,680	47.3	478	17.7	13,079	15.6	67.6
Western Maryland	1959	7,541	3,330	10,871	3.4	53,614	3,710	2,098	50.3	949	31.1	11,725	14.7	129.5
	1958	8,111	2,860	10,971	2.3	48,803	3,401	1,878	48.7	736	25.9	9,980	14.7	104.4
Pocahontas Region														
Chesapeake & Ohio	1959	62,173	28,451	90,624	6.6	70,157	3,926	2,200	48.2	944	35.5	16,471	17.9	68.0
	1958	69,519	19,436	88,955	2.0	72,567	3,847	2,090	48.8	877	32.8	15,797	19.0	67.2
Norfolk & Western	1959	42,735	8,151	50,886	6.2	88,937	5,082	2,746	52.1	1,049	35.8	25,331	18.0	124.6
	1958	49,951	7,926	57,877	.9	79,271	4,581	2,456	52.2	800	28.1	21,892	17.7	88.5
Rich., Fred. & Potomac	1959	114	896	1,010	1.6	99,263	4,504	1,779	27.5	1,880	112.4	29,319	22.1	90.6
	1958	186	787	973	2.1	93,963	4,218	1,616	27.1	2,088	132.1	18,094	22.3	88.3
Virginian	1959	13,406	1,286	14,692	3.0	76,831	5,092	2,837	54.1	884	30.8	20,709	15.4	67.2
	1958	14,123	1,519	15,642	2.0	72,205	5,020	2,807	55.5	806	28.1	21,481	14.7	72.3
Southern Region														
Atlantic Coast Line	1959	21,620	15,745	37,365	3.9	50,158	2,917	1,288	34.5	739	38.0	5,196	17.3	193.5
	1958	24,854	13,460	38,314	4.1	48,529	2,726	1,161	33.5	639	35.0	4,705	17.9	183.5
Central of Georgia	1959	3,906	5,419	9,325	3.0	52,918	3,010	1,448	36.6	971	41.4	5,249	17.6	196.9
	1958	4,730	4,131	8,861	3.4	50,114	2,838	1,339	34.7	920	42.2	4,776	17.5	190.5
Florida East Coast	1959	814	4,502	5,316	.6	44,373	2,615	905	27.9	697	48.3	6,629	17.0	88.6
	1958	709	3,357	4,066	.7	40,837	2,491	920	29.0	871	55.3	6,311	16.4	82.5
Gulf, Mobile & Ohio	1959	7,453	8,904	16,357	5.7	54,871	3,959	1,868	33.8	993	45.2	5,903	18.9	102.0
	1958	8,295	8,055	16,350	7.4	76,001	3,867	1,796	33.1	922	43.3	5,694	19.7	101.7
Illinois Central	1959	26,104	22,701	48,805	4.0	59,996	3,352	1,545	34.4	1,045	50.1	7,982	18.0	99.1
	1958	29,773	18,340	48,113	2.8	55,969	3,181	1,426	33.6	979	49.4	7,313	17.8	100.2
Louisville & Nashville	1959	35,175	18,565	53,740	7.3	55,541	3,161	1,553	39.4	862	37.4	8,174	17.6	200.6
	1958	42,127	13,791	55,918	4.8	50,949	2,781	1,329	38.3	776	36.2	7,679	18.4	232.1
Seaboard Air Line	1959	18,158	12,589	30,747	2.9	60,827	3,305	1,523	36.4	986	45.0	7,271	18.8	179.7
	1958	18,011	11,820	29,831	2.7	55,308	3,044	1,340	34.9	873	41.5	6,485	18.5	159.6
Southern	1959	21,107	28,442	49,549	4.7	59,432	3,306	1,535	32.3	849	41.1	6,801	18.0	157.4
	1958	22,718	24,562	47,280	4.6	52,586	3,132	1,398	31.3	804	41.9	6,021	16.8	143.0
Northwestern Region														
Chicago & North Western	1959	21,443	30,446	51,889	5.0	49,029	2,680	1,153	31.0	610	31.3	3,361	18.4	175.1
	1958	24,436	24,496	48,932	5.1	47,881	2,620	1,194	34.0	635	31.1	3,441	18.4	167.6
Chicago Great Western	1959	2,283	3,640	5,923	4.1	70,789	3,771	1,781	33.3	1,362	60.9	5,585	18.8	186.3
	1958	2,839	3,568	6,407	3.5	65,399	3,394	1,540	31.7	1,047	50.4	4,645	19.3	154.0
Chic., Milw., St. P. & Pac.	1959	31,014	28,047	59,061	3.8	61,126	3,139	1,374	31.2	663	34.6	3,687	19.5	108.7
	1958	37,902	21,566	59,468	5.6	59,965	3,054	1,340	31.3	624	32.4	3,530	19.7	102.6
Duluth, Missabe & Iron Range	1959	14,055	731	14,786	4.7	21,382	1,421	590	34.5	32	2.0	847	15.6	16.2
	1958	13,501	476	13,977	5.0	19,631	1,370	602	32.5	34	2.0	854	15.4	9.2
Great Northern	1959	23,663	20,082	43,745	3.1	56,261	2,678	1,218	31.6	877	41.2	4,527	21.1	116.8
	1958	26,361	15,306	41,667	3.3	60,304	2,826	1,269	30.5	856	41.4	4,396	21.5	114.5
Minneap., St. P. & S. St. Marie	1959	7,023	7,085	14,108	8.0	43,901	2,342	1,072	31.1	902	43.1	2,994	18.9	135.4
	1958	7,400	7,484	14,884	3.5	45,957	2,133	987	30.7	835	42.0	3,058	21.6	154.7
Northern Pacific	1959	18,646	14,371	33,017	3.3	59,767	2,740	1,247	29.7	944	45.2	4,696	24.8	109.4
	1958	20,768	12,901	33,669	3.4	61,144	2,863	1,263	30.2	878	44.6	4,430	21.4	97.3
Spokane, Portland & Seattle	1959	1,505	3,870	5,375	2.3	42,827	2,729	1,306	31.1	1,050	45.2	6,223	15.8	93.8
	1958	1,791	3,499	5,290	2.7	43,464	2,844	1,349	31.8	1,047	45.6	6,128	15.4	87.9
Central Western Region														
Atch., Top. & S. Fe (incl. G.C. & S. F. and P. & S. F.)	1959	52,865	30,481	83,346	6.0	79,225	3,154	1,240	28.4	1,202	67.0	7,499	25.2	136.4
	1958	59,597	23,967	83,564	5.9	78,931	3,341	1,240	26.4	964	59.4	6,250	23.7	142.3
Chic., Burl. & Quincy	1959	23,740	23,734	47,474	3.7	63,495	2,910	1,278	30.5	963	48.0	5,284	22.2	178.8
	1958	24,660	20,084	44,744	3.0	66,350	3,080	1,323	29.7	955	50.8	4,843	21.7	150.2
Chic., Rock I. & Pac.	1959	14,825	23,909	38,734	5.2	61,923	2,934	1,210	30.2	1,013	54.4	5,420	21.1	195.1
	1958	17,531	22,456	39,987	5.6	61,591	2,968	1,186	29.0	886	51.3	4,710	20.8	174.1
Denver & R. G. Wn.	1959	8,055	5,816	13,871	5.8	70,489	3,292	1,620	34.1	1,102	43.9	7,087	21.5	147.3
	1958	9,455	4,291	13,746	4.0	68,688	3,489	1,674	32.8	958	41.3	6,986	19.7	101.6
Southern Pacific	1959	33,451	36,368	69,819	2.4	69,981	3,202	1,352	28.9	1,316	70.4	11,220	22.1	146.8
	1958	37,257	30,353	67,610	1.8	69,478	3,349	1,330	27.7	1,160	68.7	9,886	20.9	87.7
Union Pacific	1959	32,335	32,033	64,368	1.7	88,698	3,204	1,375	29.2	1,455	75.9	9,583	27.9	158.1
	1958	34,809	28,154	62,963	1.8	88,014	3,353	1,356	28.2	1,314	75.1	8,376	26.4	125.8
Western Pacific	1959	2,725	3,962	5,787	2.5	76,644	2,751	1,240	30.2	1,720	82.4	8,867	28.0	199.7
	1958	2,996	2,420	5,416	2.4	77,229	3,031	1,357	30.3	1,676	81.4	7,769	25.7	171.7
Southwestern Region														
Kansas City Southern	1959	2,673	5,086	7,759	6.6	99,754	4,625	2,177	35.2	1,279	54.7	11,261	21.8	209.4
	1958	2,580	5,498	8,078	3.8	94,386	4,468	2,048	34.9	1,219	54.7	10,736	21.4	187.2
Louisiana & Arkansas	1959	2,979	2,954	5,933	7.2	82,297	4,058	1,978	38.3	884	35.1	6,997	20.4	185.0
	1958	3,340	3,707	6,047	5.2	77,923	3,929	1,831	37.6	853	36.9	6,650	20.1	184.1
Mo.-Kans.-Texas Lines	1959	5,456	6,817	12,273	9.2	62,598	3,703	1,602	31.7	882	44.9	3,856	17.0	119.2
	1958	6,047	5,956	12,003	6.8	65,139	3,463	1,555	31.1	1,005	51.5	3,974	18.9	109.5
Missouri Pacific	1959	23,689	21,671	45,360	9.3	71,875	3,425	1,537	33.4	1,292	61.8	6,024	21.1	166.1
	1958	26,630	18,187	44,817	5.9	72,207	3,341	1,431	31.3	1,175	61.5	5,628	21.7	165.6
St. Louis-San Francisco	1959	12,419	7,799	20,218	2.5	58,849	2,772	1,285	31.4	1,081	51.1	4,716	21.3	199.2
	1958	14,877	9,994	24,871	1.9	57,863	2,729	1,223	30.8	912	45.9	4,927	21.5	185.9
St. Louis Southw. Lines	1959	2,465	4,500	6,965	3.2	73,452	3,002	1,342	28.1	2,132	108.2	9,648	24.5	230.6
	1958	2,791	4,074	6,865	1.1	72,994	3,171	1,417	29.8	2,137	114.0	9,499	23.0	205.3
Texas & New Orleans	1959	6,782	14,845	21,627	1.5	77,548	3,127	1,386	31.4	1,355	67.6	6,929	24.9	155.8
	1958	8,091	14,331	22,422	1.6	72,352	3,319	1,357	30.4	1,139	65.6	6,223	21.9	151.4
Texas & Pacific	1959	3,465	5,860	9,325	4.2	80,097	3,544	1,320	28.4	1,394	82.3	7,157	22.7	281.2
	1958	4,315	5,504	9,819	4.5	86,459	3,875	1,368	26.7	1,410	90.8	7,104	22.4	250.5

Compiled by the Bureau of Transport Economics and Statistics, Interstate Commerce Commission. Subject to revision.

Youngstown Car Shows New Products for Damage Control

An assortment of new products, developed as a "family" of damage-control devices for protection of gondola car shipments, has been announced by Youngstown Steel Car Corporation, Niles, Ohio. Designed to meet existing problems, particularly in transportation of steel and steel products, the devices include:

- Positive-locking, movable and removable bulkheads, trade-named "Rollok," which can be rolled on "Z" section tracks to any point in a car and held in place by pins which fit into a continuous row of locking holes. A standard car set consists of four bulkheads, but more can be added if needed. Applications are presently being made on the Baltimore & Ohio, the Erie, the Nickel Plate and the Santa Fe.
- Removable, sectional steel roofs which fit any standard-width gondola car to provide full weather protection for steel sheets, coils and similar products. Sectional construction—three sections per car—permit partial loading, but in full use the sections lock firmly to the car and to each other. They may be positioned or removed by overhead or trackside cranes using slings, chains or sheet lifters; can be stacked for storage on special steel brackets at the edge of each section. Catwalks and inspection doors (see below) can be installed if desired. First applications of the new roofs are being made on B&O and Erie cars.
- Hoods designed to fit, in pairs, all existing types of skid-equipped gondola cars. Each hood is roomy enough to protect the largest steel coils against damage from weather, dirt or vandalism without need for tarpaulins or other special packing. Lifting brackets are built on to permit use of trackside or overhead cranes in placing and removing the hoods; inspection doors are optional. The Erie and the B&O are the first railroads to use the new hoods.
- Manway and inspection doors, developed in answer to requests for low-cost access doors for covered gondola cars. The new doors may be adapted to vertical or horizontal surfaces in existing cars, or incorporated in Yocar roofs or hoods. They are weathertight, with special sealing developments which allow snug fits even on corrugated or beaded surfaces. Spring-loaded latches provide secure locking under service impacts.

The four new products give Youngstown Steel Car a total of six recent developments in the damage-control field. Others are "Safe-Cargo" and "Econo-Guard," anchor rail damage-control devices for box cars introduced within the past year.

Letters from Readers

'Cut Down on Regulation'

Washington, D. C.

To the Editor:

As a strong supporter of last year's Transportation Act, I share your concern that the Interstate Commerce Commission has not taken advantage of its provisions to ease the rigid regulations of railroad rates ["Cut Down on Regulation," RA, April 27, p. 78]. I had hoped that the difficult rate situation would be eased, and you may be assured that further efforts on this will receive my serious consideration.

Barry Goldwater
U. S. Senator, Arizona

Washington, D. C.

To the Editor:

The presentation dealing with the ICC's regulation of the railroads [RA, April 27, p. 78] is a very interesting one, and of course, the example cited indicates the nature of the problem.

I am not a member of the Interstate and Foreign Commerce Committee, but certainly have followed with interest railroad legislation in the Congress. It seems to me that the bill passed last year was a good one, and yet I can see where the problems of the railroads are continuing ones.

John Sherman Cooper
U. S. Senator, Kentucky

Washington, D. C.

To the Editor:

The points you have raised are good ones, and I will contact members of the House Committee on Interstate and Foreign Commerce on this matter.

William S. Broomfield
U. S. Representative, Michigan

Thanks, But . . .

Oakland, Cal.

To the Editor:

We do thank whoever contributed the third item on page 36 of the April 6 issue, about the all-lumber train.

In all fairness we must point out that while the Southern Pacific's transportation system is large and extensive it doesn't quite reach to Seattle.

There just must have been some Oregon lumber aboard!

C. A. Hartley
District Freight Agent
Southern Pacific

Alaska Transport

Falls Church, Va.

To the Editor:

I noted a discussion of the Alaskan transportation situation [RA, May 4, p. 27] for which I think Railway Age ought to be commended. Evidently the ICC is extremely anxious to obtain control of traffic between the mainland and the now off-shore states. In my opinion the justification is small, and the possible stifling of new developments by such regulation is real and more important. I think it is significant that the first trailer-barge operation in the U.S. was begun and has been successful between the United States and Alaska. If the service had been under ICC control I think there is a real likelihood that it would never have been initiated. With Alaska Steam running half empty ships public convenience and necessity probably could not have been proven.

Robert A. Nelson
Associate Professor, Transportation
University of Washington

'Damage Prevention'

Racine, Wis.

To the Editor:

It is my opinion that the article which you wrote regarding our damage prevention program [RA, April 27] is a good one, and I hope it will result in benefits to other shippers.

H. J. Bowman
General Traffic Manager
S. C. Johnson & Son, Inc.

Special Shipping Problems?

TRY ERIE'S SPECIAL EQUIPMENT

An important aspect of the complete **customer service** provided by your local Erie representative is assistance in analyzing the requirements of your shipments. And where your shipment can be handled more economically or more safely with special Erie equipment, he'll recommend it.

Erie customers regularly profit by using Erie covered hopper cars, heavy duty flat cars, special covered gondolas for coiled sheet steel and tin plate, various types of D-F cars, and Piggy-Back equipment. In fact, Erie's close **customer service** has resulted in the very development of much of this equipment.

When you specify, "Route it Erie", you'll see exactly what Erie **customer service** means to you. It's our way of running a railroad—of matching all Erie operations to your particular needs for more dependable delivery of your shipments.

Symbol of dependable **customer service**

ERIE

Erie Railroad

Dependable Service for the Heart of Industrial America

Shippers' Guide

Association of American Railroads

. . . "'One-Package' Transportation"

Has issued a 12-page pamphlet, titled as above, outlining, in question and answer form, reasons why carriers by any mode of transport should be allowed to utilize other modes "to provide a complete and diversified 'one-package' transportation service."

Baltimore & Ohio

. . . Increases Trailer Fleet

To increase and diversify its "Tofcee" (piggyback) equipment, the B&O has recently acquired additional 32-ft open-top trailers with 6½-ft sides.

Bangor & Aroostook

. . . Pre-Cooling

To aid late season movement of potatoes, the BAR will pre-cool, free, up to 3,000 cars between now and July 10. Up to 5,000 lb of ice will be placed in refrigerator cars, without charge to the shipper, when the service is requested the day before shipment.

Canadian Pacific

. . . Freight Schedules

Has issued a revised edition of C. S. 17, "Schedules of Fast Freight Trains." Copies are available from CPR Transportation department, Montreal 3, Que.

Chesapeake & Ohio

. . . Car Line Changes

Has inaugurated direct LCL car line Ashland, Ky., to Columbus, Ohio (NYC); also way-car service from Columbus to Marion-Fostoria, Ohio, and from Columbus to Linworth-Prospect, Ohio.

Has discontinued direct LCL cars from Ashland to Cleveland (NYC), and from Columbus to Erie-Akron, Ohio; Rocky Mount, N. C. (ACL); Spencer Transfer, N. C. (Southern); Delaware, Ohio, and Marion, Ohio. Has discontinued way-cars from Columbus to Linworth-Fostoria and Morral-Carey, Ohio.

Illinois Central

. . . Freight Schedules

Has issued a new pocket-size folder listing schedules of dispatch freight trains. Copies are available from all IC freight offices.

Louisville & Nashville

. . . Freight Schedules

Has issued a new list of condensed freight schedules in effect as of May 1, incorporating a number of changes from earlier schedules (see also RA, April 27, p. 54). Copies are available

from E. C. Patton, assistant general traffic manager, 908 West Broadway, Louisville 1, Ky.

An additional change, made since publication of the new schedules, has Train No. 84 leaving Evansville, Ind., 9:45 a.m. instead of 8:45, and arriving E. St. Louis 2:45 p.m. instead of 1:45.

Materials Handling Institute

. . . Film Catalog

Has issued a list of 16-mm motion picture films on industrial materials handling available for training purposes from MHI member companies. Copies of the list may be obtained from the institute, One Gateway Center, Pittsburgh 22, Pa.

New York Central

. . . New Freight Service

NYC, and its affiliated Pittsburgh & Lake Erie, have inaugurated a new fast freight service (Train PD-3) to provide second-morning delivery in Toledo, Ohio, for shipments received from connecting carriers serving Maryland and southern Pennsylvania. The new service is a companion to a similar operation recently initiated for shipments to Detroit and other Michigan points from Baltimore and Hagerstown, Md., and Philadelphia, Harrisburg, Lancaster, Reading and York, Pa.

Reading

. . . Centralizes LCL

In connection with its highway subsidiary, the Reading Transportation Co., the Reading is now handling all LCL shipments by truck to and from a central rail-truck LCL transfer point at Reading, Pa. The integrated operation is expected to improve service to both shippers and receivers by bringing about a "significant speed-up" in LCL movement.

Major LCL freight routes to be served by truck will extend from Reading to Wilmington, Del.; Trenton and South Bound Brook, N. J.; and Philadelphia, Harrisburg, Bethlehem, Williamsport, Tamaqua, Lansdale-New Hope, Gettysburg-Shippensburg, Columbia, Pottsville-Lykens, Jenkintown, Pa., and intermediate points. Shipments will be transferred at 8th Street Freighthouse, Reading, to or from cars destined to or received from connecting railroads. The Wayne Junction Transfer at Philadelphia will be closed.

Seatrain Lines

. . . New Service

Has applied to the ICC for authority to provide Seatrain service between Savannah and New Orleans. Seatrain now provides service between both those ports and New York, but not between the two southern cities.

MARKET OUTLOOK *at a glance*

Carloadings Rise 2.5% Above Previous Week's

Loadings of revenue freight in the week ended May 16 totaled 694,380 cars, the Association of American Railroads announced on May 21. This was an increase of 16,982 cars, or 2.5%, compared with the previous week; an increase of 133,340 cars, or 23.8%, compared with the corresponding week last year; and a decrease of 27,764 cars, or 3.8%, compared with the equivalent 1957 week.

Loadings of revenue freight for the week ended May 9 totaled 677,398 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CAR LOADINGS
For the week ended Saturday, May 9

District	1959	1958	1957
Eastern	102,420	81,293	112,436
Allegheny	125,851	89,316	141,299
Pocahontas	55,313	40,330	65,331
Southern	120,798	104,183	121,945
Northwestern	103,518	68,636	116,144
Central Western	117,390	105,865	113,324
Southwestern	52,108	45,956	52,838
Total Western Districts	273,016	220,457	282,306
Total All Roads	677,398	535,579	723,317
Commodities:			
Grain and grain products	47,159	45,824	47,561
Livestock	6,144	5,651	6,174
Coal	109,204	87,608	133,847
Coke	10,842	5,299	11,478
Forest Products	41,078	34,705	39,778
Ore	68,623	22,861	78,001
Merchandise l.c.l.	42,080	45,294	54,684
Miscellaneous	352,268	288,337	351,794
May 9	677,398	535,579	723,317
May 2	674,123	533,205	718,986
April 25	647,282	533,851	690,789
April 18	633,546	534,507	686,950
April 11	618,359	521,160	673,944
Cumulative total, 19 weeks	11,272,527	10,151,610	12,765,208

PIGGYBACK CARLOADINGS—U. S. piggyback loadings for the week ended May 9 totaled 8,491 cars, compared with 4,814 for the corresponding 1958 week. Loadings for 1959 up to May 9 totaled 138,576 cars, compared with 86,156 for the corresponding period of 1958.

IN CANADA.—Carloadings for the seven-day period ended May 7 totaled 75,395 cars, compared with 98,915 cars for the previous nine-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
May 7, 1959	75,395	27,925
May 7, 1958	80,175	28,460
Cumulative Totals:		
May 7, 1959	1,211,656	505,267
May 7, 1958	1,201,530	521,180

New Equipment

FREIGHT-TRAIN CARS

► *Nickel Plate.*—Is considering the purchase of 500 box cars and 500 hopper cars "in the foreseeable future" to replace recently retired cars, according to Chairman Lynne L. White. The road "probably" will order additional diesel locomotives later this year, to augment 35 units purchased earlier (RA, Dec. 15, 1958, p. 47), Mr. White also told stockholders.

► *Pennsylvania.*—Will acquire 1,700 52½-ft gondola cars from General American under a leasing agreement. Construction of the cars at General American's East Chicago plant will be completed this year. Estimated value of the order: $16,500,000. Term of the lease will be 20 years, with option to renew for an additional 10 years. The new cars are part of a 23,500-car program announced by PRR President James M. Symes (RA, May 18, p. 9).

► *Repair Ratio 2.7% Higher Than Last Year.*—Class I roads on April 1 owned 1,717,113 freight cars, 34,391 less than a year ago, according to AAR report summarized below. Repair ratio was 2.7% higher than on April 1, 1958.

	April 1, 1959	April 1, 1958	Change
Car ownership	1,717,113	1,751,504	—34,391
Waiting repairs	150,759	106,372	—44,387
Repair Ratio	8.8%	6.1%	+2.7%

► *Deliveries Increase.*—Orders were placed in April for 3,736 freight cars, compared with 10,795 in March. Freight cars ordered in April 1958 totaled 278. Deliveries in April totaled 3,741, compared with 2,797 in March, and 5,163 in April 1958. The backlog of cars on order and undelivered as of May 1, 1959, was 35,479, compared with 35,487 on April 1, and 32,908 on May 1, 1958.

TYPE	ORDERED April, 1959	DELIVERED April, 1959	UNDELIVERED May 1, 1959
Box—Plain	2,435	747	13,301
Box—Auto	0	0	500
Flat	207	204	1,571
Gondola	140	0	2,850
Hopper	0	1,610	13,420
Cov. Hopper	764	594	1,117
Refrigerator	0	187	1,823
Stock	0	0	0
Tank	190	322	660
Caboose	0	12	108
Other	0	65	129
TOTAL	3,736	3,741	35,479
Car Builders	3,199	2,334	14,551
Railroad Shops	537	1,407	20,928

New Facilities

► *Atlantic Coast Line.*—Ordered CTC equipment from Union Switch & Signal Division of WABCo for installation on 28 miles of track between Vitis and Gary, Fla.

(Continued on following page)

MARKET OUTLOOK (continued)

► *Chicago Great Western.*—Will build a rail-river port and terminal facilities on the Mississippi River south of St. Paul, Minn., on a 6,250-acre industrial district being developed by the railroad.

► *Frisco.*—Will spend approximately $788,100 for construction of piggyback facilities at Lindenwood Yard, St. Louis, Mo.; Valley Park, Mo.; Cherokee Yard, Tulsa, Okla.; and Irving, Tex. All work will be performed by company forces.

► *Manila Railroad Co.*—Plans to build two new railway lines on Luzon Island at a cost of approximately $55,000,000.

► *Missouri Pacific.*—Current or proposed construction projects include: Bridge reconstruction or replacement at 11 locations at a total cost of $549,410; improvement of rail-truck facilities at Dupo, Ill.; Monroe, La.; and Harlingen, Tex., $90,090; track extensions at Hope, Ark., Sweeny and McAllen, Tex., $111,940; participation in grade separation projects at St. Louis, Mo., San Antonio and Austin, Tex., $377,000; purchase of land and construction of levees in Colorado, $91,305; installation of air compressors and generators in power plant at St. Louis, $48,700; relocation of CTC office and consolidation of control facilities at Poplar Bluff, Mo., $93,650. MoPac also reports an estimated cost of $4,280,000 to complete construction of its double hump retarder yard and allied facilities at Kansas City, Mo. The project is now 60% complete.

► *Wabash.*—Will complete by mid-1959 installation of 27.2 miles of traffic control signal system between Lodge and Gibson City, Ill., at a cost of $264,000. Also scheduled for 1959 completion: three major grade separation projects, at St. Louis ($976,000, city to pay 54%); Springfield, Ill., ($650,000, state to pay 95%); and Ferguson, Mo., ($100,000, city to pay 60%).

Purchases & Inventories

► *Two Months' Purchases Continue Upward Trend.*—Purchases by domestic railroads of all types of materials (excluding equipment) in this year's first two months were $1,779,000 higher than in the comparable 1958 period. Purchase and inventory estimates in following tables were prepared by Railway Age.

*PURCHASES**

	February 1959	Two Months 1959	Two Months 1958
	(000)	(000)	(000)
Rail	$ 4,222	$ 12,471	$ 11,486
Crossties	3,126	8,987	7,938
Other Material	70,986	145,929	144,327
Fuel	31,350	67,501	69,358
Total	$109,684	$234,888	$233,109

* Subject to revision.

INVENTORIES†*

	Feb. 1, 1959	Feb. 1, 1958
	(000)	(000)
Rail	$ 54,178	$ 57,867
Crossties	85,025	100,623
Other Material	403,301	499,595
Scrap	26,237	21,509
Fuel	24,483	27,125
Total	$593,224	$706,719

* Subject to revision.
† All total inventory figures taken from ICC statement M-125 for month indicated.

MAY TRAFFIC POLL

(*Continued from page 36*)

M. T. Northey, assistant secretary and GTM of Minneapolis-Honeywell Regulator Co., Minneapolis, thinks too many salesmen "expect the shipper to educate them." But other respondents consider that a two-way street. Central Illinois Public Service, Springfield, Ill. (A. L. Peterson, TM), for example, "makes a special effort to acquaint freight salesmen with our operations, so they will understand our problems." Mr. Peterson also expresses the belief that sales problems would be more easily solved if all companies would keep salesmen informed of their operations.

Frank J. Gill, traffic manager for Oxford Paper Co., Portland, Me., suggests that "so-called big firms with large traffic departments" tend to go "direct to the powers that be." over the heads of freight salesmen. While this, he says, saves time, it also has the effect of reducing salesmen's visits to "friendly calls." But he thinks they "can and do" help firms which have no traffic departments.

There appears, however, to be a pretty widespread opinion, running through nearly all Poll replies, that rail salesmen are improving; are better than they used to be.

"More attention is being paid to our needs; representatives are being better trained," says L. F. VanKleeck, traffic manager, Brown Co., Berlin, N. H. "Railroad freight salesmen of today are much improved over salesmen of prewar days," agrees Frank Otis, TM, Gilbert Paper Co., Menasha, Wis. "Most of them," he adds, "are doing a good job for their railroad, and helping us."

J. D. Paul, secretary-manager of the Seattle Traffic Association, believes "competition has induced the railroad freight salesman to take a more personal interest in the problems of his customers." And J. R. Morton, assistant to president, Vega Industries, Syracuse, N. Y., sees "a marked improvement." Freight, Mr. Morton adds, "is solicited on a service basis; no longer on a friendship basis. The 'new salesman' is well rounded; he either knows the answer or where to get it in a hurry."

Southworth Lancaster, Boston transportation consultant, is another respondent who notes improvement, and attributes it to three reasons: Necessity for competitive selling; "a more broad-minded and realistic attitude on the part of top railroad traffic officers"; and a more cooperative and helpful attitude on the part of industrial traffic managers.

CLIC speeds seeds

There's a Midwest seed broker who routes every shipment he can over Chesapeake and Ohio. It goes back to an incident that happened a few months ago. He had bought a carload of seed and sold it before even the bill of lading had arrived. He knew it had been shipped C & O, so he called the local C & O Traffic Office.

"I know it is almost impossible for you to locate the car", he said, "but will you try".

With the aid of CLIC—C&O's all-teletype car reporting system—the car was located and reconsigned in just a few minutes.

Naturally a thing like that doesn't happen often, but our broker friend has found many occasions when it was most helpful to be able to pick up the phone and find out the exact location of any car, anywhere on the C&O system.

Try CLIC and see how it can work for you.

A booklet describing CLIC is yours for the asking. Just write:

Chesapeake and Ohio Railway

3800 TERMINAL TOWER, CLEVELAND 1, OHIO

SHIP C & O . . . AND WATCH IT GO!

John A. Wallace
NYC

John S. Reed
Santa Fe

W. L. Camp
Santa Fe

Frank J. Steinberger
Santa Fe

People in the News

DEPARTMENT OF THE ARMY, OFFICE OF CHIEF OF TRANSPORTATION.—**Col. Charles H. Lamback**, chief, general traffic division, Military Traffic Management Agency, Washington, D.C., has been named regional director, Eastern traffic region, MTMA, Pittsburgh, Pa., effective July 1, succeeding **Col. J. R. Messersmith**, who will become regional director, Central traffic region, St. Louis, Mo. Col. Messersmith replaces **Col. Ervin D. K. Hoehne**, named transportation consultant to Army Chief of Ordnance, Washington, D.C.

ERIE.—**Harold F. Keelen**, general agent, Akron, Ohio, appointed assistant general freight agent, Cleveland, succeeding **Dwight C. Kelsey**, who retired April 30. **William E. Bennett**, division freight agent, Rochester, N.Y., transferred to Paterson, N.J., succeeding **Edwin H. Huffman**, who replaces Mr. Keelen at Akron. **Thomas E. Duddy** appointed general agent, Detroit, succeeding **Louis C. Williams**, who replaces Mr. Bennett.

Frank L. Van Schaick, supervisor of locomotive operation, Port Jervis, N. Y., retired May 31.

GRAND TRUNK WESTERN.—**A. L. Ray**, division engineer, Detroit division, Detroit, appointed assistant engineer maintenance of way there.

Richard M. Kippen appointed attorney, law department, Detroit.

LACKAWANNA.—**Fred Diegtel**, assistant general manager, New York, appointed assistant vice president—operation, with responsibility for operation and personnel. **L. B. Coleman**, assistant general manager, Scranton, Pa., appointed general manager there and will continue to assume responsibility of chief mechanical officer with motive power and equipment forces reporting to him. Abolished positions of assistant general manager at New York and Scranton.

John T. O'Neill appointed general agent, New York. Domestic and foreign sales departments have been moved from Pier 13, North River, New York, to Room 1708, 140 Cedar street, New York 6.

LAKE SUPERIOR & ISHPEMING.—**Robley H. Morrison** elected vice president and chief engineer.

LEHIGH & HUDSON RIVER.—Office of freight traffic manager—rates and divisions, and eastern traffic manager, at 60 East 42nd street, New York, moved to River street, Warwick, N.Y., effective April 27. Office of general freight agent at Pittsburgh, Pa., will be located at 216 South Braddock avenue, zone 21.

MANUFACTURERS RAILWAY—ST. LOUIS REFRIGERATOR CAR COMPANY.—**Thomas E. Corcoran**, vice president—accounting and treasurer, St. Louis, Mo., retired April 30. **R. J. Jakle**, assistant treasurer, elected treasurer and comptroller.

MIDLAND CONTINENTAL.—**Ray W. Stewart** appointed general agent, Chicago.

NEW YORK CENTRAL.—**John A. Wallace**, director of traffic for the Ford Motor Co., named assistant vice president—freight sales and service, NYC, in the Detroit area.

Arthur A. Meyer, director, passenger fares and divisions, New York, appointed assistant passenger sales manager at Cleveland. **Leo A. Horstman**, chief, passenger tariff bureau, New York, succeeds Mr. Meyer. **William A. McFarland**, assistant chief of tariff bureau, succeeds Mr. Horstman as chief of that bureau.

Robert F. Batchman, assistant superintendent diesel shop, Collinwood, Ohio, appointed mechanical superintendent, Western district. **Eugene L. Keller**, trainmaster, Collinwood, named supervisor freight transportation there.

J. H. Coleman appointed general supervisor cost control, Collinwood.

SANTA FE.—**John S. Reed**, executive assistant to president, appointed vice president—finance. **Frank J. Steinberger**, general purchasing agent, appointed vice president and general purchasing agent. **R. B. Joseph**, assistant chief clerk, named chief clerk, president's office, succeeding **W. L. Camp**, appointed assistant to president.

F. G. Pfrommer appointed general attorney and commerce counsel, San Francisco.

SEABOARD.—**Howard P. Toxey**, assistant to vice president freight traffic, Richmond, Va., appointed freight traffic manager—rates and divisions, at that point, succeeding **W. W. Wolford**, who is now on a special assignment.

TORONTO TRANSIT COMMISSION.—**J. G. Inglis**, assistant general manager, appointed general manager of operations. **W. E. P. Duncan**, general manager of the commission, appointed general manager of design and construction of the $200,000,000 Bloor-Danforth-University subway, which will be begun in September 1959.

OBITUARY

John J. Connell, 56, freight traffic manager, **Lehigh Valley**, New York, died May 13, while attending a luncheon of the New York Traffic Club at the Commodore Hotel.

Ralph W. Cooke, 81, retired general freight agent, **Pennsylvania**, died May 15 in Hinsdale Sanitarium, Hinsdale, Ill.

Industrial Traffic

W. J. Smallacombe, general traffic manager, appointed director of traffic of the **Maple Leaf Milling Co. Ltd.**, Toronto, Ont., Canada.

Victor E. Simon, division traffic manager, **National Supply Co.**, Fort Worth, Tex., appointed southwest district traffic manager, Dallas, Tex., effective July 1.

John J. DeLaney, traffic manager, **American LaFrance**, Division of **Sterling Precision Corp.**, Elmira, N. Y., appointed director of transportation and assistant to president. **James F. Agan**, assistant traffic manager, named traffic manager.

Andrew Engelhardt, manager, traffic department, **Natco Corp.**, Pittsburgh, Pa., retired April 30. **Elmer G. Herford**, who has been Mr. Engelhardt's assistant, will assume his duties.

Following officers elected to the **Official Territory Paper Traffic Conference**: Chairman, **Harold E. Duffy**, general traffic manager, New York & Pennsylvania Co., Inc., Armstrong Forest Co. and T. S. Woollings Co., Ltd.; vice chairman, **L. R. Steinbach**, traffic manager, Mead Corp.; secretary-treasurer, **W. H. Montgomery**, traffic manager, Riegel Paper Corp.

John H. Tinto, traffic manager, Walworth Co., has joined **Ribe & Company**, freight transportation consultants, Birmingham, Ala., as assistant manager, Pipe and Fittings Rate department.

R. L. Banks & Associates, consultants in traffic and transportation economics, have opened an office at 1001 15th street, NW, Washington 5, D. C.

Louis H. Mills, assistant plant superintendent, **American-Marietta Co.**, Seattle, Wash., promoted to the newly created position of division traffic manager there.

Supply Trade

W. Ashley Gray, Jr., manager—western sales, **General Steel Castings Corp.**, Granite City, Ill., has been named vice president—railroad sales. **Thomas C. Barton, Jr.**, sales representative, Eddystone Plant, appointed assistant to vice president—railroad sales, Granite City.

Henry T. Lowell, Jr., has been appointed sales manager for **Sperry Products, Inc.**, Danbury, Conn., and will direct all sales activities for the company's railroad services, ultrasonics and other manufactured products. Mr. Lowell was formerly marketing manager for Sorensen & Co., Norwalk, Conn.

W. Ashley Gray, Jr.

Henry T. Lowell, Jr.

You Ought To Know...

About 58,000 cars will be ordered by the railroads in 1959, President Joseph B. Lanterman of American Steel Foundries told the New York Society of Security Analysts. Mr. Lanterman said that some 60,000 cars were expected to be ordered in 1960.

The Venezuelan rail union, in a recent manifesto to the nation urging renewal of a comprehensive national railway plan, cited the example of the U. S. and other nations. The manifesto hailed the contribution of railroads as vital in "amazing agricultural and industrial progress" of such countries as the U. S., Canada, Mexico and Argentina.

Canadian Pacific will spend about $900 million over the next 10 years on replacements and improvements, CPR President N. R. Crump told stockholders in Montreal. Mr. Crump called for government policies placing "greater reliance on economic forces and less reliance upon rigid regulation" in promoting a healthy transportation industry.

Southern Pacific stockholders last week voted to merge Central Pacific into the parent company. The move was made to simplify SP's corporate structure. SP and its wholly-owned subsidiary have been a single unit for operational purposes for many years.

Railway Express Agency this week inaugurates use of Wabash linehaul piggyback service between St. Louis and Chicago. The new operation will reduce headend car requirements, producing savings to the rail carrier without diluting present service to REA customers. Trailer loads will move between REA's St. Louis terminal and the Dearborn and North Western terminals in Chicago.

New president of the Association of Railroad Advertising Managers is Joe D. Singer, assistant advertising manager of the Chesapeake & Ohio. Other new officers: first vice president, Albert L. Kohn, general advertising manager, Southern Pacific; vice presidents, R. P. Schaffer and J. N. Ragsdale, advertising managers of the Chicago & North Western and Association of American Railroads, respectively; treasurer, Gail F. Link, advertising manager of the Chicago, Burlington & Quincy; executive secretary, Albert W. Eckstein, advertising agent of the Illinois Central.

The RLEA is "shocked" that it's the only organization thus far to formally protest the proposed N&W-Virginian merger. The labor executives are urging on-line communities and industries to join in opposing what RLEA termed a "pending grab for $12,000,000 a year more profits." Meanwhile, N&W reported that 16 civic organizations in Virginia, West Virginia and North Carolina have endorsed the merger proposal during the past two weeks.

Ground-breaking ceremonies for the National Railroad Museum will be held May 30 at Green Bay, Wisc. Also on the program: dedication of the "General Pershing," recently-retired steam switching locomotive which served with the armed forces in three wars.

Louisville & Nashville has activated a uniform train consist reporting system at three yard offices, will extend the operation to other points later. Three related roads —Georgia, Atlanta & West Point, Western of Alabama—plan to place the system in effect this summer. Standardization in the transmittal of interchange information is the aim.

Twenty-nine U. S., Canadian and Latin American railroads installed a total of 955 diesel units in 1958, according to a report compiled by the Railway Age research department. Three Latin American roads placed 92 diesels in service, 411 were installed in Canada, and the remaining 452 were installed on U.S. lines. Horsepower of all the 955 units totaled 1,490,380.

Union Pacific has scheduled a major expansion of its East Topeka, Kan., yard to keep pace with the growth of industry in the area. Major items in the program: construction of 20,420 ft of additional track, replacement of a 150-ton scale; construction of a yard clerks' office.

The Milwaukee last week celebrated the 50th anniversary of its "golden spike" ceremony—the completion, May 19, 1909, of the road's extension from the Missouri River to the Pacific Northwest. Milwaukee built the coast line in less than three years, made the final hookup near Gold Creek, Mont.

Chicago railroads are eyeing the possibilities of consolidating passenger facilities into two terminals instead of one. Consulting engineers have recommended that all trains (except IC suburban and C&NW) use Chicago Union Station. Some railroad officers, however, believe consolidation costs could be cut and operations improved if a second station were retained—probably IC's lakefront terminal. Next report on the situation is scheduled for mid-June.

An advisory committee for its transport study will be appointed by the Senate Interstate Commerce Committee. The committee has asked various transport associations, including the AAR, to suggest representatives for appointment to the advisory group. Similar invitations may go to other interests, including shippers and transport labor. The study, created by Senate Resolution 29, will cover problems left untouched by the 1958 Transportation Act.

Savings of $885,000 a year will be realized by the Boston & Maine as a result of curtailments authorized by the Massachusetts Department of Public Utilities, according to B&M President Patrick McGinnis. The DPU is permitting the line to close 52 stations, drop 78 trains and all service on four branch lines and sharply curtail operations on another. Mr. McGinnis estimated that the cuts will affect no more than 500 commuters.

Advertisers' Index

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Contract for 'Relationships'?

Railroad freight rates are often maintained the way they are—more to support the price structure of producers than to yield tonnage and profits to the railroads.

A veteran railroad rate man has noted that: "Nobody defends 'rate relationships' in the abstract—but everybody supports them in specific applications."

Maintaining such relationships was a royal railroad prerogative in the days of monopoly. But today railroads can no longer set rate minimums. Their competitors do that for them. Re-establishing relationships from a much lower starting point usually hurts the railroads far more than it benefits the shippers.

■

Here is a typical case (considerably simplified):

In the mid-west there is a manufacturer at A who gets his raw materials either at B, 150 miles away, or at C, 300 miles away. If he buys from C, it is usually the practice that the producer shades his price by the difference between the railroad freight rate C-to-A, over B-to-A.

Suppose the price of the raw material is $30 a ton at B and the B-to-A railroad freight rate is $7. The C-to-A railroad rate will be higher (possibly $9). In such a case the producer at C will sell his material to the buyer at A for $28 a ton. So the buyer at A pays, in effect, the price at B, plus the B-to-A railroad freight rate—regardless of whether he actually does his buying at B or not.

But suppose the manufacturer at A goes in for private trucking, to haul a part of his product from A to B. To provide return loads, the manufacturer will have his trucks pick up raw material at B and haul it to A. On this return-load basis, the cost to the manufacturer is, say, only about $4 per ton (as compared to the railroad rate of $7).

This manufacturer now has a definite monetary incentive to induce him to purchase *all* his raw material at B. His cost is $30 per ton plus $4 for transportation. If he buys from C, his cost will still be $28 plus $9—because the practice of "freight rate absorption" is based on the published railroad rates, not the cost of private transportation. In hundreds of such situations, "delivered prices" are established on the basis of railroad rates—even though most of the tonnage in question may be moving by other forms of transportation.

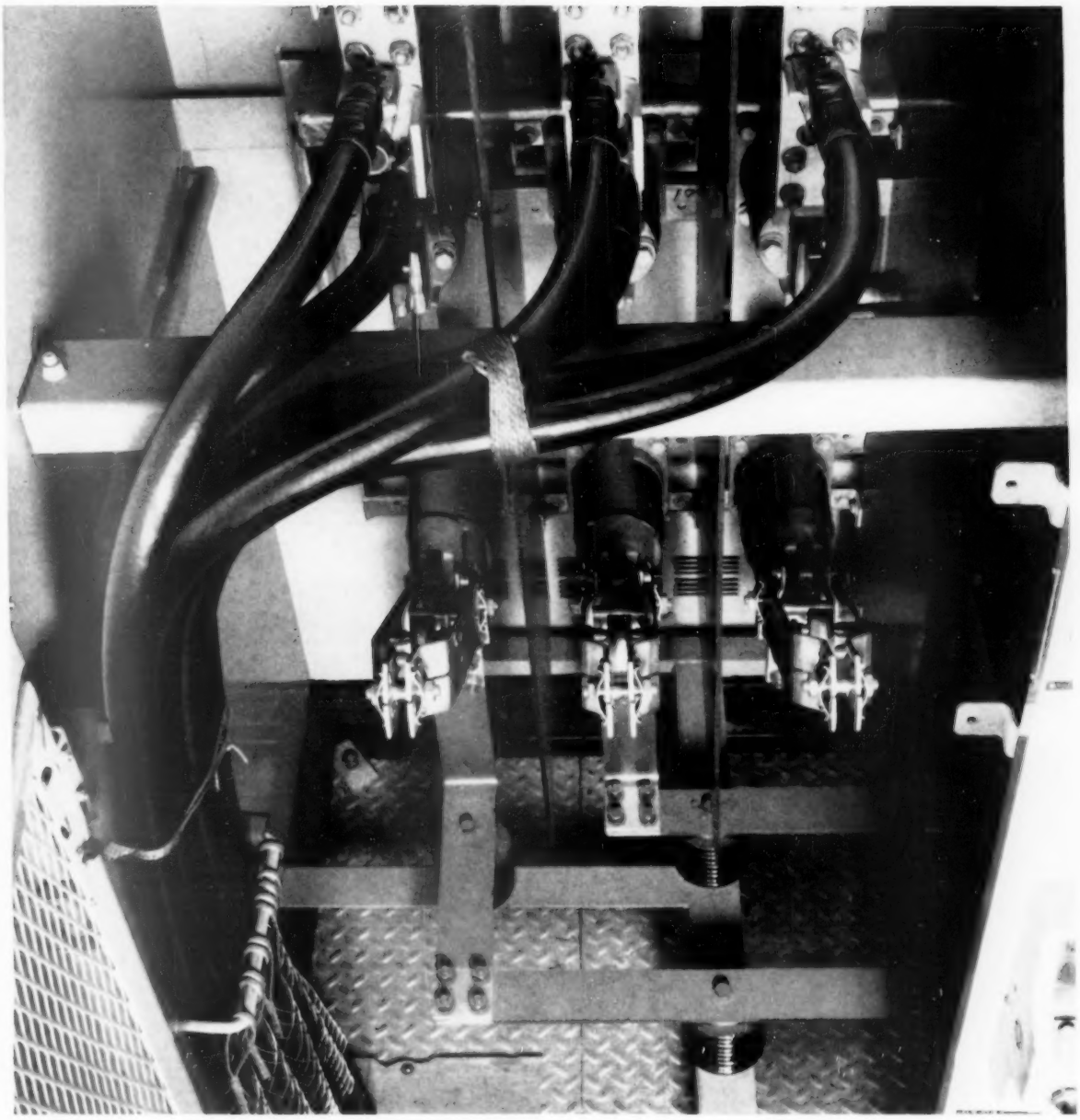
Now, in this particular case, the railroad serving the manufacturer at A could afford to make rates B-to-A which would be lower than the cost to the manufacturer of running his own truck. But if this railroad should reduce its rate, B-to-A, from $7 to $4 to win back this traffic, it would probably be confronted with a demand from the producer at C to reduce the present $9 rate to $6—to preserve the "traditional difference" between the railroad rate at C and that at B.

The absurdity of this situation lies, of course, in the fact that the "traditional relationship" between the B-to-A and C-to-A rates has already been broken—without any action by the railroads. The railroads, by meeting the competition where it exists, would not be altering in the slightest the relative position of producers to their markets.

Railroads are denying themselves profitable tonnage, which they ought to be hauling—because they fear they could not withstand the political pressure for a lot of reductions not necessitated by competition, but solely to "maintain relationships" that, in fact, no longer exist, except on paper.

●

A PLACE FOR CONTRACT RATES: Here is a situation ideally suited to rate contracts. Railroads are in business to haul freight—not to maintain a pricing system for commodities moving by other forms of transportation. If it is important to producers that railroads maintain these "relationships," then the producers should reciprocate by contracting to ship by rail the bulk of the traffic involved. If there is any question about the lawfulness of such contracts, then the shippers should exert themselves to change the law.



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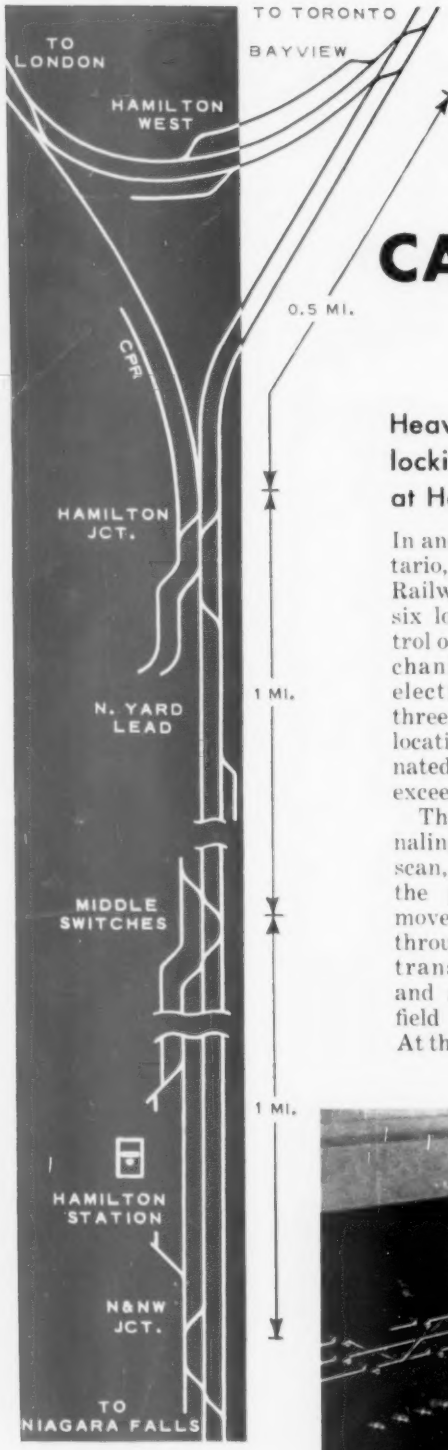

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